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October 6, 2016

Board of Commissioners  
Angola Housing Authority  
617 North Williams Street  
Angola, IN 46703

We have reviewed the audit report prepared by Goldie Roberts, 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 Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Angola 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 Independent Public Accountant's 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

# HOUSING AUTHORITY OF THE CITY OF ANGOLA

AUDITED FINANCIAL STATEMENTS

Angola, Indiana

December 31, 2015

*Goldie Roberts*

Certified Public Accountant

8518 S Kays Chapel Rd  
Fredericksburg, IN 47120  
812-472-3527

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HOUSING AUTHORITY OF THE CITY OF ANGOLA

Angola, Indiana  
DECEMBER 31, 2015

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# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.  
Fredericksburg, IN 47120

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the City of Angola  
617 North Williams Street  
Angola, Indiana

I have audited the accompanying financial statements of the Housing Authority of the City of Angola ("the Authority") which comprise the Statement of Net Position as of December 31, 2015, and the related Statements of Revenues, Expenses and Changes in Fund Net Position, and Cash Flows for the year then ended, and the related Notes to the Financial Statements, which collectively comprise the Housing Authority of the City of Angola's 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 evaluating 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 financial position of the Housing Authority of the City of Angola of December 31, 2015, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i through ix be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the 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.

### Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The accompanying Financial Data Schedule and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

In regard to, the Financial Data Schedule and the other supplemental information as listed in the table of contents, 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Financial Data Schedule and the other supplemental information as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 2, 2016 on my consideration of the Housing Authority of the City of Angola's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the City of Angola's internal control over financial reporting and compliance.

*Goldie Roberts*

Certified Public Accountant

Fredericksburg, Indiana  
September 2, 2016

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*

*Introduction*

This Management's Discussion and Analysis (MD&A) of the Angola Housing Authority (Authority) provides an introduction and overview to the financial statements of the Angola Housing Authority for the fiscal year ended December 31, 2015. The Angola Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2015, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Angola Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's basic financial statements and related notes to the financial statements.

The Authority has two individual programs. They include the Low Rent Public Housing Program and the Capital Fund Program.

- The Low Rent Program consists of 183 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.
- The Capital Fund Program is a formula-based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

*Overview of the Financial Statements*

This overview of the financial statement is intended to inform and introduce the reader to the Authority's basic financial statements. The basic financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*(Continued)*

**The Statement of Net Position** presents information on the Authority's assets and liabilities, with the differences between the two being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- *Net Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted* consists of assets that are restricted by limitations placed on them by an external source or party.
- *Unrestricted* consists of assets that do not meet the definition of the above categories. The unrestricted portion of net position is the amount of funds available for future year appropriations.

**The Statement of Revenues, Expenses, and Changes in Fund Net Position** reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2015 to determine the change in net position for the fiscal year.

**The Statement of Cash Flows** reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2015.

***Financial Highlights***

- The Angola Housing Authority's total net position decreased from \$3,597,475 to \$3,315,131, a reduction of \$282,344 or 8%. Total assets decreased by \$261,797 or 6%.
- Total liabilities increased by 7%, from \$1,136,730 to \$1,215,670 at December 31, 2015. Current liabilities decreased by \$20,553 or 12% while non-current liabilities increased from \$960,057 to \$1,059,550, a 10% change.
- The unrestricted component of net position is \$455,194 at December 31, 2015. This represents a reduction of \$10,401 or 2% from the previous year.

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*(Continued)*

*Financial Highlights* (Continued)

- Due to new GASB #68 requirements, the Authority had deferred outflows of \$78,156; deferred inflows of \$19,763; and a prior period adjustment of \$128,620.
- Total revenues increased from \$977,240 to \$1,129,187, a change of \$151,947 or 16%.
- Total expenses decreased by \$111,292, from \$1,394,203 to \$1,282,911 for the current year. This represents an 8% reduction.

*Housing Authority Activities & Highlights*

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2015 and December 31, 2014.

*Summary Statement of Net Position*  
*As of December 31, 2015 and 2014*

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	657,327	566,717	90,610	16%
Non-Current Assets (Net of Depreciation)	3,815,081	4,167,488	(352,407)	-8%
Total Assets	4,472,408	4,734,205	(261,797)	-6%
Deferred Outflow of Resources	78,156	-	78,156	N/A
Current Liabilities	156,120	176,673	(20,553)	-12%
Non-Current Liabilities	1,059,550	960,057	99,493	10%
Total Liabilities	1,215,670	1,136,730	78,940	7%
Deferred Inflow of Resources	19,763	-	19,763	N/A
Unrestricted	455,194	465,595	(10,401)	-2%
Net Investment in Capital Assets	2,859,937	3,131,880	(271,943)	-9%
Total Net Position	3,315,131	3,597,475	(282,344)	-8%

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*(Continued)*

*Current Assets*

Current assets increased from \$566,717 to \$657,327, a change of \$90,610 from December 31, 2014 to December 31, 2015. This variation was primarily attributable to the Authority's cash & investments balances. At December 31, 2014 the Authority had \$471,946 in cash and investments compared to \$573,670 in cash and investments at December 31, 2015. This increase was primarily due to the excess of operating revenues over operating expenditures for the current fiscal year.

*Non-Current Assets*

Non-current assets decreased from \$4,167,488 to \$3,815,081, a change of \$352,407 or 8% from December 31, 2014 to December 31, 2015. This reduction was due to depreciation accumulated during the year exceeding capital improvements for the current year. See the capital assets section for further discussion.

*Deferred Outflow of Resources*

Deferred outflow of resources of \$78,156 for the year ending December 31, 2015 was related to new GASB #68 reporting requirements for pension plans.

*Current Liabilities*

The current liabilities balance decreased by \$20,553 from the previous year, due primarily to reductions in accounts payable, wages and payroll taxes payable, and other accrued liabilities which decreased by \$6,911, \$12,918, and \$7,675, respectively.

*Non-Current Debt*

At December 31, 2015, the Housing Authority had \$1,059,550 recorded as non-current debt, an increase of \$99,493 or 10% over the previous year. This balance included \$871,789 in non-current energy savings project debt and an accrued pension liability of \$187,761. Although the non-current portion of the Authority's energy savings project debt decreased by \$88,268 from the previous year, the addition of the pension liability as required by GASB #68 resulted in the overall increase of non-current debt.

*Deferred Inflow of Resources*

Deferred inflow of resources of \$19,763 for the year ending December 31, 2015 was related to new GASB #68 reporting requirements for pension plans.

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*(Continued)*

*Net Position*

The Authority's total net position decreased by \$282,344 or 8% from the previous year.

The Authority's unrestricted component of net position decreased from \$465,585 to \$455,194 for the current year, a reduction of \$10,401 or 2%. This balance is subject to program specific guidelines.

Investment in capital assets net of debt decreased by \$271,943 or 9% during the current fiscal year, due to the accumulation of depreciation on the Authority's non-current assets. See the capital assets section for further discussion.

*Summary Statement of Revenues & Expenses and Changes in Net Position  
Years Ended December 31, 2015 and 2014*

Category	FYE 2015	FYE 2014	Change \$	Change %
Tenant Revenue	449,270	437,707	11,563	3%
Operating Grants	468,891	450,633	18,258	4%
Capital Grants	184,471	66,619	117,852	177%
Interest Income	1,208	2,714	(1,506)	-55%
Other Revenue	25,347	19,567	5,780	30%
Total Revenue	1,129,187	977,240	151,947	16%
			-	
Administration	229,752	255,563	(25,811)	-10%
Tenant Services	2,137	4,087	(1,950)	-48%
Utilities	101,268	100,777	491	0%
Ordinary Maintenance	252,696	318,427	(65,731)	-21%
Protective Services	3,937	20,773	(16,836)	-81%
General Expense	111,166	119,993	(8,827)	-7%
Interest Expense	39,472	42,497	(3,025)	-7%
Depreciation	542,483	532,086	10,397	2%
			-	
Total Expenses	1,282,911	1,394,203	(111,292)	-8%
Excess of Revenue over Expenses	(153,724)	(416,963)	263,239	-63%
Net Position, Beginning of Year	3,597,475	4,014,438	(416,963)	-10%
Prior Period Adjustment	(128,620)	-	(128,620)	N/A
Net Position, End of Year	3,315,131	3,597,475	(282,344)	-8%

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*(Continued)*

*Results of Operations*

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue increased \$151,947 or 16% during the current fiscal year. Significant changes noted between the current and prior fiscal years include:

- Tenant Revenue had an increase of \$11,563 or 3% from 2014 to 2015. This change was primarily due to an increase in units months leased, from 2,008 in 2014 to 2,145 in 2015.
- HUD operating grants increased by \$18,258 or 4% from the previous year. This is due to an increase in subsidy funding for the current year.
- Capital grants increased by \$117,852 due to increased activity in the Capital Fund Grant Program.
- Other revenue increased by \$5,780 primarily due to an increase in laundry/vending income, from \$7,570 to \$15,389 for the current year.

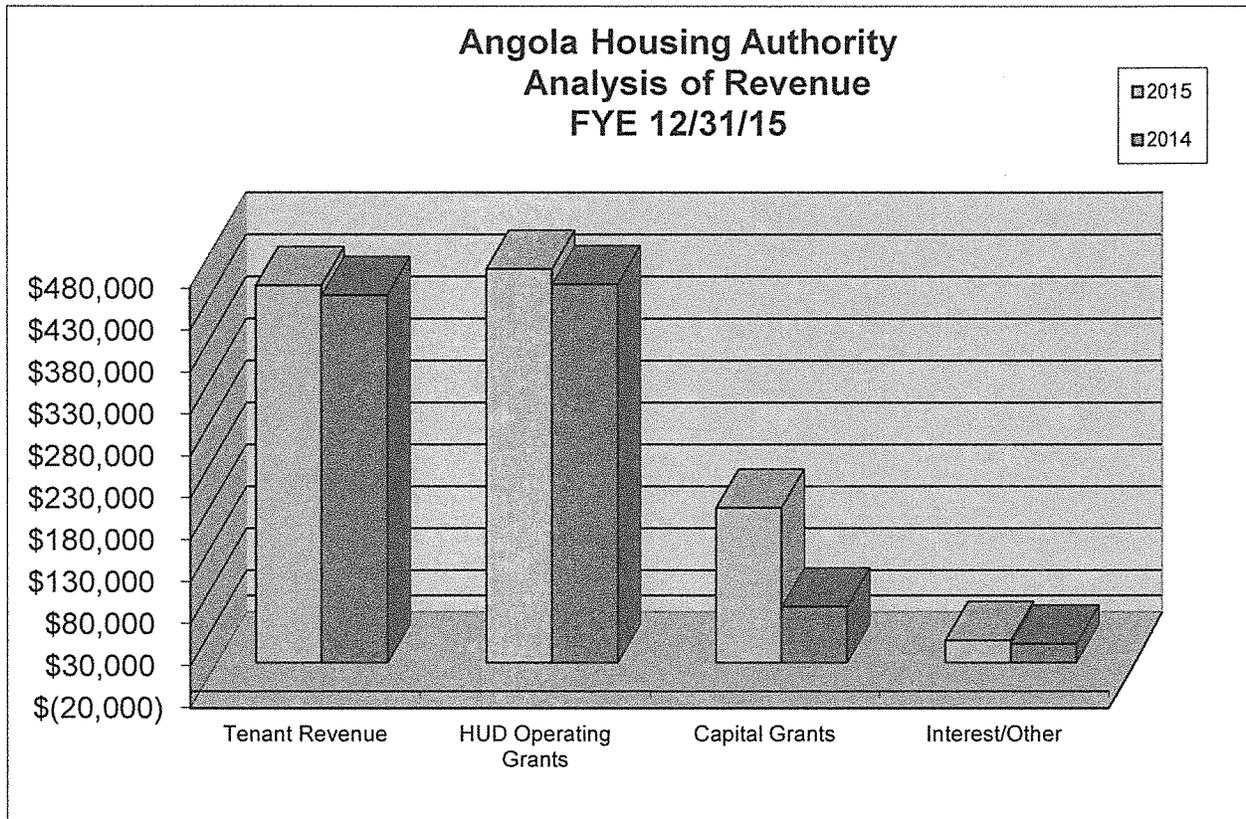
Total expenses decreased by \$111,292 or 8% compared to the previous year. Significant changes from the previous year include the following:

- Administrative expenses decreased 10% for the year, from \$255,563 in 2014 to \$229,752 in 2015. This change was largely due to decreases in administrative salaries and benefits which were reduced from \$186,558 to \$167,977 for the current year, due primarily to a decrease in administrative personnel. Office expenses also decreased by \$10,588, from \$36,235 in 2014 to \$25,647 in 2015.
- Ordinary maintenance expenses incurred an overall decrease of \$65,731 or 21% for the current year, also due primarily to a reduction in maintenance salaries and benefits, from \$171,868 in 2014 to \$121,282 in 2015. This decrease in salaries and benefits was also due to a reduction in personnel. Maintenance contracts were also reduced by 16%, from \$108,745 to \$90,888. In particular, pest control contracts and miscellaneous contracts were reduced by \$9,920 and \$11,627, respectively.
- Protective services decreased by \$16,836 or 81% due to the termination of the Authority's security contract in April, 2015. The Authority does not intend to replace the security contract.

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
(Continued)*

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:



*Net Capital Assets*

As of December 31, 2015, the Angola Housing Authority's net capital assets balance was \$3,815,081. This investment includes land, buildings, equipment, and construction in progress, net of accumulated depreciation. The total amount differs from the equity account, investment in net capital assets, due to debt proceeds related to energy improvement items.

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*(Continued)*

*Summary Statement of Capital Assets*  
*Years Ended December 31, 2015 and 2014*

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Land	826,661	826,661	-	0%
Buildings	10,534,109	10,515,343	18,766	0%
Equipment	310,794	175,624	135,170	77%
Construction in Progress	5,643	-	5,643	N/A
Accumulated Depreciation	(7,862,126)	(7,350,140)	(511,986)	7%
<b>Total Net Fixed Assets</b>	<b>3,815,081</b>	<b>4,167,488</b>	<b>(352,407)</b>	<b>-8%</b>

The addition to the building account is due to an ongoing flooring replacement project, funded through both operations and capital funds. The Authority also used capital funds to purchase new kitchen appliances for the units and to purchase new computers and work stations for the office. Construction in progress at December 31, 2015 was for architectural fees related to upcoming capital projects.

**Subsequent Events**

As of the time of this analysis, HUD has not finalized the funding levels for the 2016 calendar year. It is projected that operating subsidy for the Low Rent Housing Program will be pro-rated at 89%.

In February, 2016, the Angola Housing Authority entered into a contractual partnership with the US Department Of Energy. Through this agreement, the Angola Housing Authority is committed to reducing its energy consumption by 20% over the next ten years. As a result, many of the future Capital Fund Program Projects will focus on energy improvements while updating the facilities.

In 2016, the Angola Housing Authority will continue its Appliance Replacement Program; whereby, completing the replacement of both refrigerators and stoves in every apartment. Facilities upgrades for Elliott Manor include rebuilding the Make-Up Air unit, replacement of the Heating Boilers, replacement of the Domestic Hot Water, as well as, the installation of new thermostatic control in each apartment.

The Angola Housing Authority will also begin a multi-year project in 2016 for the renovation of bathrooms in its apartments at Elliott Manor. As part of this project, building ventilation and exhaust will also be addressed. The focus on building ventilation and exhaust is a continuation of the aforementioned Make-Up Air repair.

*Housing Authority of the City of Angola  
Angola, Indiana*

*Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
(Continued)*

Currently, there are no grievances, lawsuits, or pending litigation for the Housing Authority.

*Request for Information*

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Angola Housing Authority  
Layk Thomas, Executive Director  
617 N. Williams Street  
Angola, IN 46703

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF NET POSITION  
DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 543,936
Restricted cash and cash equivalents	29,734
Accounts receivable, net	10,381
Prepaid insurance	57,338
Inventory, net	15,938
<b>Total Current Assets</b>	<b>657,327</b>

CAPITAL ASSETS

Land and other nondepreciable assets	832,304
Depreciable capital assets, net	2,982,777
<b>Total Capital Assets</b>	<b>3,815,081</b>

<b>Total Assets</b>	<b>4,472,408</b>
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Deferred outflow of resources

Pension related	78,156
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<b>Total Assets and Deferred Outflow of Resources</b>	<b>4,550,564</b>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	2,429
Accrued liabilities	35,530
Payable from restricted cash and cash equivalents:	
Tenant's security deposits	29,734
Current portion of long term debt	83,355
Unearned revenue	5,072
<b>Total Current Liabilities</b>	<b>156,120</b>

NONCURRENT LIABILITIES

Net Pension Liability	187,761
Long term debt	871,789
<b>Total Noncurrent Liabilities</b>	<b>1,059,550</b>

<b>Total Liabilities</b>	<b>1,215,670</b>
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Deferred inflow of resources

Pension related	19,763
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NET POSITION

Net investment in capital assets	2,859,937
Unrestricted	455,194
<b>TOTAL NET POSITION</b>	<b>\$ 3,315,131</b>

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>OPERATING REVENUES</u>	
Rental income, net	\$ 449,270
Other revenue	25,347
	474,617
 <u>OPERATING EXPENSES</u>	
Administrative	244,864
Tenant services	2,137
Utilities	101,268
Ordinary maintenance and operation	252,696
Protective services	3,937
General expense	135,526
Depreciation expense	542,483
	1,282,911
 OPERATING INCOME (LOSS)	 (808,294)
 <u>NONOPERATING REVENUES (EXPENSES)</u>	
Federal operating grants	468,891
Interest income	1,208
	470,099
 CAPITAL CONTRIBUTIONS	 184,471
 CHANGE IN NET POSITION	 (153,724)
 NET POSITION, BEGINNING OF YEAR, as originally stated	 3,597,475
Change in accounting principle	(128,620)
 TOTAL NET POSITION - BEGINNING OF YEAR, as restated	 3,468,855
 NET POSITION, END OF YEAR	 \$ 3,315,131

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from residents and other deposits	\$	448,819
Payments to suppliers		(468,863)
Payments to/for employees		<u>(289,259)</u>
Net Cash Flows Provided (Used) by Operating Activities		<u>(282,306)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		<u>1,208</u>
Net Cash Provided by Investing Activities		1,208

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants received		184,471
Capital assets purchased		<u>(190,076)</u>
Net Cash Provided (Used) from Capital and Related Financing Activities		(5,605)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Payments on long term debt		(80,464)
Federal operating grants received		<u>468,891</u>
Net Cash Flows Provided by Noncapital Financing Activities		<u>388,427</u>

Net Increase (Decrease) in Cash and Cash Equivalents 101,724

Beginning Cash and Cash

Cash - Beginning of year 471,946

Ending Cash and Cash

Cash - End of year \$ 573,670

Reconciliation of Cash

Unrestricted \$ 543,936

Restricted 29,734

\$ 573,670

Continued

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(CONTINUED)

RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(808,294)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation		542,483
(Increase) Decrease in:		
Accounts receivable		451
Prepaid expenses		(2,846)
Inventory		13,509
Increase (Decrease) in:		
Accounts payable		(5,602)
Pension related		748
Accrued liabilities		(18,836)
Unearned revenue		(3,919)
Net Cash Flows Provided (Used) by Operating Activities	\$	<u>(282,306)</u>

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

**NOTE A - Summary of Significant Accounting Policies and Organization:**

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

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

The financial statements of the Housing Authority of the City of Angola include the following:

At December 31, 2015, the Housing Authority has 188 units under management.

<u>Project</u>	<u>Units</u>
Low Income Public Housing	<u>188</u>

The Authority is also operating Capital Fund Grant Programs.

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

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflow of resources, liabilities, and deferred inflow of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in net position. Under the Accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

(Continued)

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

**Net Investment in Capital Assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**Restricted:** Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

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

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

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

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

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

State statutes authorize the Housing Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by political subdivisions.

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

**Prepaid** - Prepaid represent payments made to vendors for services that will benefit beyond December 31, 2015.

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

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

Capital assets - Capital assets purchased are recorded on the Statement of Net Position at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is \$1,500 or more. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

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

<u>Class</u>	<u>Life</u>
Buildings and improvements	5-40 years
Maintenance and office equipment	3-10 years

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

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

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

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liability and disclosure of contingent liability at the date of the financial statements and report amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

**NOTE B - Deposits, Cash and Cash Equivalents, and Investments:**

**1. HUD Deposit Restrictions**

HUD requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments. HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

Deposits, made in accordance with State statute (IC 5-13), with financial institutions in the State of Indiana should be covered to the extent not covered by insurance of any Federal deposit insurance agency.

**2. Risk Disclosures**

**A. Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At December 31, 2015, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

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

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

Deposits made in accordance with state statute (Indiana Code 5-13) with financial institutions in the State of Indiana should be covered to the extent not covered by insurance of any federal deposit insurance agency.

At December 31, 2015, the carrying amount of the Authority's deposits was \$573,670 and the bank balance was \$648,788. The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name or by the Federal Reserve Banks acting as third party agents or by a collateralization agreement. Restricted cash consists of tenant security deposits.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

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

Deposits consist of the following:

Checking account	\$ 329,434
Money Market Account, Savings and Cert. of Deposit	<u>244,236</u>
Total	<u>\$ 573,670</u>

**NOTE C - Accounts Receivable:**

Accounts receivable at December 31, 2015, consist of the following:

Tenants, Net of allowance \$6,479	\$ 6,511
Fraud Recovery, Net of allowance \$3,111	3,605
Interest Receivable	<u>265</u>
Total	<u>\$ 10,381</u>

**NOTE D - Prepaid Expense:**

Prepaid expenses at December 31, 2015, consists of the following:

Prepaid insurance and other expenses	<u>\$ 57,338</u>
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**NOTE E - Inventory:**

Inventory at December 31, 2015, consists of the following:

Materials and supplies, Net of allowance of \$1,771	<u>\$ 15,938</u>
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Materials inventories are recorded at cost. The FIFO inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

**NOTE F - Capital Assets:**

A summary in changes in capital assets is as follows:

	Beginning Balance 12/31/14	Increases	Decreases	Transfers	Ending Balance 12/31/15
Capital assets, not being depreciated:					
Land	\$ 826,661	\$ 0	\$ 0	\$ 0	\$ 826,661
Construction in Progress	<u>0</u>	<u>184,471</u>	<u>0</u>	<u>(178,828)</u>	<u>5,643</u>
Total Capital Assets, Not being depreciated	<u>826,661</u>	<u>184,471</u>	<u>0</u>	<u>(178,828)</u>	<u>832,304</u>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

(Continued)

NOTE F - Capital Assets: (Continued)

Capital Assets, being depreciated:					
Buildings & Improvements	10,515,343	5,604	0	13,162	10,534,109
Furniture, Equipment & Machinery	<u>175,624</u>	<u>0</u>	<u>( 30,496)</u>	<u>165,666</u>	<u>310,794</u>
Total Capital Assets, being depreciated	<u>10,690,967</u>	<u>5,604</u>	<u>( 30,496)</u>	<u>178,828</u>	<u>10,844,903</u>
Less Accumulated Depreciation for:					
Buildings & Improvements	( 7,189,059)	(513,892)	0	0	( 7,702,951)
Furniture, Equipment and Machinery	<u>( 161,081)</u>	<u>( 28,590)</u>	<u>30,496</u>	<u>0</u>	<u>( 159,175)</u>
Total Accumulated Depreciation:	<u>( 7,350,140)</u>	<u>(542,482)</u>	<u>30,496</u>	<u>0</u>	<u>( 7,862,126)</u>
Total Capital Assets, being depreciated, net	<u>3,340,827</u>	<u>( 536,878)</u>	<u>0</u>	<u>178,828</u>	<u>2,982,777</u>
Capital Assets, Net	<u>\$ 4,167,488</u>	<u>\$ (352,407)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,815,081</u>

Depreciation expenses of \$542,483 was incurred during the year.

NOTE G- Pension Plan:

**Description of Pension Plan**

The Housing Authority of the City of Angola (Housing Authority) participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Indiana Public Retirement System (INPRS) and is based on Title 35 of IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). The Public Employees' Retirement Fund (PERF) Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees. INPRS financial reports are available online at [www.in.gov/inprs/annualreports.htm](http://www.in.gov/inprs/annualreports.htm).

Members include officers and employees of units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by resolution of the governing body, which specifies the classifications of employees who will become members of the PERF Hybrid Plan.

**Benefits Provided**

Retirement benefits consist of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits vest after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

**NOTE G- Pension Plan:** (Continued)

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit.

A member who is at least 55 years old and shows age plus number of years of creditable service is at least 85 is entitled to 100% of the benefits described above.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

The PERF Hybrid Plan also provides disability and survivor benefits.

***Contributions***

Members are required by statute to make contributions to the plan as determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. During fiscal year 2015, all participating employers contributed an average rate of 11.03% of covered payroll. The Authority's required contribution to the plan for the fiscal year ended December 31, 2015 was \$29,798. A contribution of 3% of covered payroll was contributed by the employees into the annuity savings account portion.

***Employer Allocations***

The allocation percentages for the Housing Authority's share of the collective pension amounts as of June 30, 2015 and 2014 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2015.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the Authority's proportionate share was 0.00461%.

***Net Pension Liability***

At June 30, 2015, the Authority reported a liability of \$187,761. The proportionate share of the liability as of June 30, 2014 was \$117,731, which was not required to be reported in the previous year.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

NOTE G- Pension Plan: (Continued)

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2015, was determined using member census data as of June 30, 2015 and adjusted, as appropriate. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2014 to the June 20, 2015 measurement date. Key methods and assumptions used in calculating the total pension liability are presented below:

Price inflation	2.25%
Wage inflation	1.00%
Salary increases, including wage increases	2.25 to 4.25%, including inflation
Long-Term rate of return, net of investment expense, and including price inflation	6.75%

Mortality rates were based on the RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2016.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2010.

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

NOTE G- Pension Plan: (Continued)

Asset Class	Long-Term Target Allocations	Long-Term Expected Real Rate of Return
Public equity	22.5%	5.3%
Private equity	10.0%	5.6%
Fixed Income-Ex Inflation-Linked	22.0%	2.1%
Fixed Income - Inflation-Linked	10.0%	0.7%
Real estate	7.5%	3.0%
Commodities	8.0%	2.0%
Absolute Return	10.0%	3.9%
Risk Parity	10.0%	5.0%
<b>Total</b>	<b>100%</b>	

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers would be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

The following presents the Housing Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Authority's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

(Continued)

NOTE G- Pension Plan: (Continued)

1% Decrease (5.75%)	Discount rate (6.75%)	1% Increase (7.75%)
\$276,963	\$187,761	\$113,706

***Pension Expense***

For the year ended December 31, 2015, the Housing Authority recognized pension expense of \$30,546, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$8,060	\$388
Net differences between projected and actual investment earnings on pension plan investments	\$31,659	\$17,658
Change of assumptions	\$15,872	\$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$3,838	\$1,717
Contributions made after plan year end (measurement date)	\$18,727	\$0
<b>Total</b>	<b>\$78,156</b>	<b>\$19,763</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the NPL in the following years:

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

NOTE G- Pension Plan: (Continued)

Amortization of net deferred outflows/(inflows) of resources - debit/(credit)	
2016	\$12,771
2017	\$12,771
2018	\$6,209
2019	\$7,915
2020	\$0
Thereafter	\$0
Total	\$39,666

The information presented above has not been audited.

NOTE H - Accounts Payable:

Accounts payable at December 31, 2015, consist of the following:

Vendor Accounts Payable	<u>\$ 2,429</u>
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NOTE I - Accrued Liabilities:

Accrued liabilities at December 31, 2015, consist of the following:

Payment in lieu of taxes	\$ 34,265
Accrued liability - other (Utilities)	<u>1,265</u>
Total	<u>\$ 35,530</u>

NOTE J - Unearned Revenue:

Unearned revenue at December 31, 2015, consist of the following:

Prepaid rent	<u>\$ 5,072</u>
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NOTE K - Notes Payable:

Notes Payable at December 31, 2015, consist of the following:

The mortgage is payable to the FCN Bank, National Associates and bears interest at 4.558% per annum over 10 years. Monthly payments are from \$9,601 to \$13,543 per month. The mortgage note is secured by the Project. The final payment is due December 2023. The balance due is \$955,144.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

NOTE K - Notes Payable: (Continued)

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 83,355	\$ 40,780	\$ 124,134
2017	95,938	32,541	128,479
2018	104,376	28,600	132,976
2019	113,313	24,317	137,630
2020	119,996	22,451	142,447
2021-2023	<u>438,166</u>	<u>19,791</u>	<u>457,957</u>
Total	<u>\$ 955,144</u>	<u>\$ 168,480</u>	<u>\$ 1,123,624</u>

	<u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/15</u>
Pension Plan	\$ 128,620	\$ 59,169	\$ 0	\$ 187,789
Note Payable	<u>1,035,608</u>	<u>0</u>	<u>80,464</u>	<u>955,144</u>
Total	<u>\$ 1,164,228</u>	<u>\$ 59,169</u>	<u>\$ 80,464</u>	<u>\$ 1,142,933</u>

Note L - Federal Operating Grants:

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contract. These subsidy contributions for the operating year ended December 31, 2015 were as follows:

Low Rent Public Housing	\$ 466,450
Capital Fund	<u>2,441</u>
Total	<u>\$ 468,891</u>

Note M - Federal Capital Grants:

The Authority receives federal capital grants from HUD for capital fund program improvements. Capital grants recognized for the fiscal year ended December 31, 2015 were \$184,471.

Note N - Commitments and Contingencies:

Litigation: At December 31, 2015, the Authority was not involved in any threatened litigation.

Examination: The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, law and regulations governing other grants given to the Authority in the current and prior years. There were no examinations during the year ended December 31, 2015.

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

**Note N - Commitments and Contingencies:** (Continued)

**Construction Projects:** Currently, there is an HVAC replacement project in progress at December 31, 2015. Current construction progress is \$5,643.

**Note O - Risk Management:**

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

**Note P - Economic Dependency:**

The Authority receives approximately 50% of its operating revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

**Note Q - Conduit Type Debt:**

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

**Note R - Prior Period Adjustments:**

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

Net pension liability at December 31, 2013	<u>\$ 128,620</u>
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REQUIRED SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Authority's Proportionate Share of the Net Pension Liability

INPRS Pension Plan  
Last Ten Fiscal Years\*

	<u>2014</u>	<u>2015</u>
Housing Authority of the City of Angola proportion of the net pension liability	N/A	.00461
Housing Authority of the City of Angola proportionate share of the net pension liability	\$117,731	\$187,761
Housing Authority of the City of Angola covered employee payroll	\$226,962	\$202,290
Housing Authority of the City of Angola proportionate share of the net pension liability as a percentage of it's covered employee payroll	.518726	.928177

Note: Additional years information will be presented when available.

\* The amounts for each fiscal year were determined as of 6/30.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE HOUSING AUTHORITY OF THE CITY OF ANGOLA CONTRIBUTIONS

INPRS Pension Plan  
Last Ten Fiscal Years\*

	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 30,992	\$ 28,725
Contributions in relation to the contractually required contribution	<u>\$ 30,992</u>	<u>\$ 28,725</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Housing Authority of the City of Angola covered employee payroll	\$226,962	\$202,290
Contributions as a percentage of covered employee payroll	13.655%	14.2%

Note: Additional years information will be presented when available.

\* The amounts for each fiscal year were determined as of 6/30.

SUPPLEMENTAL FINANCIAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION

DECEMBER 31, 2015

	A C C		
	C-543	C-543	
	Low	Capital	
	Income	Fund	
	Public	Programs	
	Housing	Total	Total
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	\$ 543,936	\$ 0	\$ 543,936
Restricted cash and cash equivalents	29,734	0	29,734
Accounts receivable, net	10,381	0	10,381
Prepaid insurance	57,338	0	57,338
Inventory, net	15,938	0	15,938
<b>Total Current Assets</b>	<b>657,327</b>	<b>0</b>	<b>657,327</b>
<b><u>CAPITAL ASSETS</u></b>			
Land and other nondepreciable assets	832,304	0	832,304
Depreciable capital assets, net	2,982,777	0	2,982,777
<b>Total Capital Assets</b>	<b>3,815,081</b>	<b>0</b>	<b>3,815,081</b>
<b>Total Assets</b>	<b>4,472,408</b>	<b>0</b>	<b>4,472,408</b>
<b><u>Deferred outflow of resources</u></b>			
Pension related	78,156	0	78,156
<b>Total Assets and Deferred Outflow of Resources</b>	<b>4,550,564</b>	<b>0</b>	<b>4,550,564</b>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable	2,429	0	2,429
Accrued liabilities	35,530	0	35,530
Payable from restricted cash and cash equivalents:			
Tenant's security deposits	29,734	0	29,734
Current portion of long term debt	83,355	0	83,355
Unearned revenue	5,072	0	5,072
<b>Total Current Liabilities</b>	<b>156,120</b>	<b>0</b>	<b>156,120</b>
<b><u>NONCURRENT LIABILITIES</u></b>			
Net pension liability	187,761	0	187,761
Long term debt	871,789	0	871,789
<b>Total Noncurrent Liabilities</b>	<b>1,059,550</b>	<b>0</b>	<b>1,059,550</b>
<b>Total Liabilities</b>	<b>1,215,670</b>	<b>0</b>	<b>1,215,670</b>
<b><u>Deferred inflow of resources</u></b>			
Pension related	19,763	0	19,763
<b><u>NET POSITION</u></b>			
Net investment in capital assets	2,859,937	0	2,859,937
Unrestricted	455,194	0	455,194
<b>TOTAL NET POSITION</b>	<b>\$ 3,315,131</b>	<b>\$ 0</b>	<b>\$ 3,315,131</b>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2015

	C-543 Low Income Public Housing	C-543 Capital Fund Programs	Total
<b><u>OPERATING REVENUES</u></b>			
Rental income, net	\$ 449,270	\$ 0	\$ 449,270
Other revenue	25,347	0	25,347
<b>TOTAL OPERATING REVENUES</b>	<b>474,617</b>	<b>0</b>	<b>474,617</b>
<b><u>OPERATING EXPENSES</u></b>			
Administrative	229,752	0	229,752
Tenant Services	2,137	0	2,137
Utilities	101,268	0	101,268
Ordinary maintenance and operation	252,696	0	252,696
Protective services	3,937	0	3,937
General expense	150,638	0	150,638
Depreciation expense	542,483	0	542,483
<b>TOTAL OPERATING EXPENSES</b>	<b>1,282,911</b>	<b>0</b>	<b>1,282,911</b>
OPERATING INCOME (LOSS)	<b>(808,294)</b>	<b>0</b>	<b>(808,294)</b>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Federal operating grants	466,450	2,441	468,891
Interest income	1,208	0	1,208
<b>TOTAL NONOPERATING REVENUES</b>	<b>467,658</b>	<b>2,441</b>	<b>470,099</b>
CAPITAL CONTRIBUTIONS	0	184,471	184,471
<b>CHANGE IN NET POSITION</b>	<b>(340,636)</b>	<b>186,912</b>	<b>(153,724)</b>
<b>NET POSITION, BEGINNING OF YEAR, as originally stated</b>	<b>3,597,475</b>	<b>0</b>	<b>3,597,475</b>
Change in accounting principle	58,292	(186,912)	(128,620)
<b>NET POSITION, BEGINNING OF YEAR, year as restated</b>	<b>3,655,767</b>	<b>(186,912)</b>	<b>3,468,855</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 3,315,131</b>	<b>\$ 0</b>	<b>\$ 3,315,131</b>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS - COMPLETED  
DECEMBER 31, 2015

Annual Contributions Contract C-543

	<u>501-11</u>	<u>501-12</u>
1. The Capital Fund Grant Costs are as follows:		
Funds Approved	\$ 224,225	\$ 187,737
Funds Expended	<u>224,225</u>	<u>187,737</u>
Excess / (Deficiency) of Funds Approved	\$ <u>0</u>	\$ <u>0</u>
Funds Advanced	\$ 224,225	\$ 187,737
Funds Expended	<u>224,225</u>	<u>187,737</u>
Excess / (Deficiency) of Funds Advanced	\$ <u>0</u>	\$ <u>0</u>

2. Costs additions totaling \$ 146,442 were made during the current audit period and, accordingly, were audited by Goldie Roberts, CPA.

3. The total amount of the Capital Fund Grant Costs at December 31, 2015 as shown above are in agreement with the Actual Development Cost Certificate submitted to HUD and approved by HUD.

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

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

6. There were no budget overruns.

Housing Authority of the City of Angola (IN039)  
ANGOLA, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2015

	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$543,936	\$543,936	\$0	\$543,936
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$29,734	\$29,734	\$0	\$29,734
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0
100 Total Cash	\$573,670	\$573,670	\$0	\$573,670
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$12,990	\$12,990	\$0	\$12,990
126.1 Allowance for Doubtful Accounts - Tenants	-\$6,479	-\$6,479	\$0	-\$6,479
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$6,716	\$6,716	\$0	\$6,716
128.1 Allowance for Doubtful Accounts - Fraud	-\$3,111	-\$3,111	\$0	-\$3,111
129 Accrued Interest Receivable	\$265	\$265	\$0	\$265
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$10,381	\$10,381	\$0	\$10,381
131 Investments - Unrestricted	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$57,338	\$57,338	\$0	\$57,338
143 Inventories	\$17,709	\$17,709	\$0	\$17,709
143.1 Allowance for Obsolete Inventories	-\$1,771	-\$1,771	\$0	-\$1,771
144 Inter Program Due From	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0
150 Total Current Assets	\$657,327	\$657,327	\$0	\$657,327
161 Land	\$826,661	\$826,661	\$0	\$826,661
162 Buildings	\$10,534,109	\$10,534,109	\$0	\$10,534,109
163 Furniture, Equipment & Machinery - Dwellings	\$155,580	\$155,580	\$0	\$155,580
164 Furniture, Equipment & Machinery - Administration	\$155,214	\$155,214	\$0	\$155,214
165 Leasehold Improvements	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$7,862,126	-\$7,862,126	\$0	-\$7,862,126
167 Construction in Progress	\$5,643	\$5,643	\$0	\$5,643
168 Infrastructure	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,815,081	\$3,815,081	\$0	\$3,815,081
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$3,815,081	\$3,815,081	\$0	\$3,815,081
200 Deferred Outflow of Resources	\$78,156	\$78,156	\$0	\$78,156
290 Total Assets and Deferred Outflow of Resources	\$4,550,564	\$4,550,564	\$0	\$4,550,564

311 Bank Overdraft	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$2,429	\$2,429	\$0	\$2,429
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$34,265	\$34,265	\$0	\$34,265
341 Tenant Security Deposits	\$29,734	\$29,734	\$0	\$29,734
342 Unearned Revenue	\$5,072	\$5,072	\$0	\$5,072
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$83,355	\$83,355	\$0	\$83,355
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$1,265	\$1,265	\$0	\$1,265
347 Inter Program - Due To	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$156,120	\$156,120	\$0	\$156,120
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$871,789	\$871,789	\$0	\$871,789
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$187,761	\$187,761	\$0	\$187,761
350 Total Non-Current Liabilities	\$1,059,550	\$1,059,550	\$0	\$1,059,550
300 Total Liabilities	\$1,215,670	\$1,215,670	\$0	\$1,215,670
400 Deferred Inflow of Resources	\$19,763	\$19,763		\$19,763
508.4 Net Investment in Capital Assets	\$2,859,937	\$2,859,937		\$2,859,937
511.4 Restricted Net Position	\$0	\$0		\$0
512.4 Unrestricted Net Position	\$455,194	\$455,194		\$455,194
513 Total Equity - Net Assets / Position	\$3,315,131	\$3,315,131	\$0	\$3,315,131
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,550,564	\$4,550,564	\$0	\$4,550,564

Housing Authority of the City of Angola (IN039)  
ANGOLA, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2015

	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$435,428	\$435,428	\$0	\$435,428
70400 Tenant Revenue - Other	\$13,842	\$13,842	\$0	\$13,842
70500 Total Tenant Revenue	\$449,270	\$449,270	\$0	\$449,270
70600 HUD PHA Operating Grants	\$468,891	\$468,891	\$0	\$468,891
70610 Capital Grants	\$184,471	\$184,471	\$0	\$184,471
70710 Management Fee	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0
70740 Front Line Service Fee	\$0	\$0	\$0	\$0
70750 Other Fees	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$1,208	\$1,208	\$0	\$1,208
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$5,973	\$5,973	\$0	\$5,973
71500 Other Revenue	\$19,374	\$19,374	\$0	\$19,374
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0
70000 Total Revenue	\$1,129,187	\$1,129,187	\$0	\$1,129,187
91100 Administrative Salaries	\$115,205	\$115,205	\$0	\$115,205
91200 Auditing Fees	\$3,392	\$3,392	\$0	\$3,392
91300 Management Fee	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$2,994	\$2,994	\$0	\$2,994
91500 Employee Benefit contributions - Administrative	\$52,771	\$52,771	\$0	\$52,771
91600 Office Expenses	\$25,647	\$25,647	\$0	\$25,647
91700 Legal Expense	\$2,400	\$2,400	\$0	\$2,400
91800 Travel	\$5,853	\$5,853	\$0	\$5,853
91810 Allocated Overhead	\$0	\$0	\$0	\$0
91900 Other	\$21,489	\$21,489	\$0	\$21,489
91000 Total Operating - Administrative	\$229,752	\$229,752	\$0	\$229,752
92000 Asset Management Fee	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$2,137	\$2,137	\$0	\$2,137
92500 Total Tenant Services	\$2,137	\$2,137	\$0	\$2,137
93100 Water	\$8,728	\$8,728	\$0	\$8,728
93200 Electricity	\$58,831	\$58,831	\$0	\$58,831
93300 Gas	\$17,388	\$17,388	\$0	\$17,388
93400 Fuel	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0
93600 Sewer	\$16,321	\$16,321	\$0	\$16,321
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0
93000 Total Utilities	\$101,268	\$101,268	\$0	\$101,268

94100 Ordinary Maintenance and Operations - Labor	\$79,160	\$79,160	\$0	\$79,160
94200 Ordinary Maintenance and Operations - Materials and Other	\$40,526	\$40,526	\$0	\$40,526
94300 Ordinary Maintenance and Operations Contracts	\$90,888	\$90,888	\$0	\$90,888
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,122	\$42,122	\$0	\$42,122
94000 Total Maintenance	\$252,696	\$252,696	\$0	\$252,696
95100 Protective Services - Labor	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$3,937	\$3,937	\$0	\$3,937
95300 Protective Services - Other	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$3,937	\$3,937	\$0	\$3,937
96110 Property Insurance	\$31,341	\$31,341	\$0	\$31,341
96120 Liability Insurance	\$10,149	\$10,149	\$0	\$10,149
96130 Workmen's Compensation	\$5,161	\$5,161	\$0	\$5,161
96140 All Other Insurance	\$4,084	\$4,084	\$0	\$4,084
96100 Total insurance Premiums	\$50,735	\$50,735	\$0	\$50,735
96200 Other General Expenses	\$1,346	\$1,346	\$0	\$1,346
96210 Compensated Absences	\$15,112	\$15,112	\$0	\$15,112
96300 Payments in Lieu of Taxes	\$34,265	\$34,265	\$0	\$34,265
96400 Bad debt - Tenant Rents	\$9,708	\$9,708	\$0	\$9,708
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$60,431	\$60,431	\$0	\$60,431
96710 Interest of Mortgage (or Bonds) Payable	\$39,472	\$39,472	\$0	\$39,472
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$39,472	\$39,472	\$0	\$39,472
96900 Total Operating Expenses	\$740,428	\$740,428	\$0	\$740,428
97000 Excess of Operating Revenue over Operating Expenses	\$388,759	\$388,759	\$0	\$388,759
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$542,483	\$542,483	\$0	\$542,483
97500 Fraud Losses	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000 Total Expenses	\$1,282,911	\$1,282,911	\$0	\$1,282,911
10010 Operating Transfer In	\$2,441	\$2,441	-\$2,441	\$0
10020 Operating transfer Out	-\$2,441	-\$2,441	\$2,441	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$153,724	-\$153,724	\$0	-\$153,724

11020	Required Annual Debt Principal Payments	\$83,355	\$83,355		\$83,355
11030	Beginning Equity	\$3,597,475	\$3,597,475	\$0	\$3,597,475
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$128,620	-\$128,620	\$0	-\$128,620
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				
11180	Housing Assistance Payments Equity				
11190	Unit Months Available	2196	2196	0	2196
11210	Number of Unit Months Leased	2145	2145	0	2145
11270	Excess Cash	\$366,229	\$366,229		\$366,229
11610	Land Purchases	\$0	\$0		\$0
11620	Building Purchases	\$24,410	\$24,410		\$24,410
11630	Furniture & Equipment - Dwelling Purchases	\$155,580	\$155,580		\$155,580
11640	Furniture & Equipment - Administrative Purchases	\$10,087	\$10,087		\$10,087
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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE A - Financial Data Schedule:

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense and extraordinary maintenance expense from operating activities, includes investment revenue, HUD capital grants, revenue, gains and losses on the disposal of capital assets and interest expense in operating activities, and reflects tenant revenue and bad debt expense separately, which differs from the presentation of the financial statements.

OTHER REPORTS

# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

Report On Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In  
Accordance With *Government Auditing Standards*

## Independent Auditor's Report

Board of Commissioners  
Housing Authority of the City of Angola  
617 North Williams Street  
Angola, 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 Housing Authority of the City of Angola, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Angola's basic financial statements and have issued my report thereon dated September 2, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Housing Authority of the City of Angola'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 Housing Authority of the City of Angola's internal control. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the City of Angola'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 Housing Authority of the City of Angola'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 entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Goldie Roberts*

Certified Public Accountant

Fredericksburg, Indiana  
September 2, 2016

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

DECEMBER 31, 2015

SCHEDULE OF FINDINGS AND RESPONSES

STATUS OF PRIOR AUDIT FINDINGS

There were no prior year findings.

CURRENT YEAR FINDINGS

There are no current year findings.