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August 7, 2024

Board of Commissioners  
Seymour Housing Authority  
Jackson County, Indiana

We have reviewed the audit report of the Seymour Housing Authority, which was opined upon by Barry E. Gaudette, CPA, PCJ, Independent Public Accountant, for the period April 1, 2023 to March 31, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Seymour Housing Authority as of March 31, 2024, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**SEYMOUR HOUSING AUTHORITY  
JACKSON COUNTY, INDIANA  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2024  
AND  
REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

**SEYMOUR HOUSING AUTHORITY**  
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**MARCH 31, 2024**

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## **INTRODUCTION**

**Barry E. Gaudette, CPA, PC  
3149 Lake Meadows Circle  
Traverse City, Michigan 49685**

***Independent Auditor's Report***

Board of Commissioners  
Seymour Housing Authority  
Jackson County, Indiana

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the business-type activities of the Seymour Housing Authority (the "Authority"), as of and for the fiscal year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of March 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Seymour Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Seymour Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedule is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial data schedule and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 our opinion, the financial data schedule and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.

***Barry E. Gaudette, CPA, PEQ***

June 26, 2024

**Seymour Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**March 31, 2024**  
**(Unaudited)**

As management of the Seymour Housing Authority, we offer reviewers of this audit report this narrative discussion and analysis of the Seymour Housing Authority's financial activities for the fiscal year ended March 31, 2024. This discussion and analysis letter of the Seymour Housing Authority's financial performance should be read in conjunction with the auditor's opinion letter and the following financial statements.

The Housing Authority reports all its activities and programs using the Enterprise Fund type model. HUD encourages PHAs to use this accounting method as it is normally used to account for "business-type activities" – activities similar to those found in the private sector. Enterprise Fund types use the accrual method of accounting, the same accounting method employed by most private-sector businesses. Under this method, revenues and expenditures may be reported as such even though no cash transaction has actually taken place.

**FINANCIAL HIGHLIGHTS**

The term "net position" refers to the difference between assets and liabilities. The Housing Authority's total net position as of March 31, 2024 was \$64,564. The net position increased by \$28,484 an increase of 78.9% over the prior fiscal year.

Revenues and contributions for the Housing Authority were \$919,811 for the fiscal year ended March 31, 2024. This was an increase of \$185,702 or 25.3% over the prior fiscal year.

Expenses for the Housing Authority were \$891,327 for the fiscal year ended March 31, 2024. This was an increase of \$133,254 or 17.6% over the prior fiscal year.

HUD operating grants were \$918,811 for fiscal year ended March 31, 2024. This was an increase of \$185,402 over the prior fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Seymour Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**March 31, 2024**

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

*Required Financial Statements*

The *Statement of Net Position* includes the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Housing Authority creditors (liabilities). It also provides the basis for evaluating the liquidity and financial flexibility of the Housing Authority.

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

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

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

*Supplemental Information*

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

**FUND STATEMENTS**

The Financial Data Schedule reports the Housing Authority's operations in more detail. The Housing Authority reports all its activities using Enterprise fund types. These funds are used to show activities that operate more like commercial enterprises. The Financial Data Schedule is organized by the government Catalogue of Financial Domestic Assistance (CFDA) numbers.

*Section 8 Housing Choice Voucher Program:* Under this program, the Housing Authority administers contracts with independent landlords to provide housing for low-income households. These units are not owned by the Housing Authority. The Housing Authority subsidizes the family's rent via a "Housing Assistance Payment" made directly to the landlord. HUD provides subsidy to the Housing Authority to enable the Housing Authority to set the rental rates at 30% to 40% of a participant's income.

**Seymour Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**March 31, 2024**  
**(Continued)**

**FINANCIAL ANALYSIS**

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the following table, assets exceeded liabilities by \$64,564 at the close of the fiscal year ended March 31, 2024 an increase from \$36,080 in 2023. The increase in net position was due to the change in net position of \$28,484.

The unrestricted net position was \$52,775 as of March 31, 2024. This amount may be used to meet the Housing Authority's ongoing obligations. The Housing Authority had a net position classified as restricted in the amount of \$280 that are subject to external restrictions on how they may be used. The restricted assets consist of excess funding in the Housing Choice Voucher program. At the end of the current year, the Housing Authority is able to report positive balances in all categories of net position.

**CONDENSED STATEMENTS OF NET POSITION**

**March 31,**

	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>
Current and other assets	\$ 138,628	\$ 34,470	\$ 104,158
Capital assets, net	5,767	2,789	2,978
Total Assets	<u>144,395</u>	<u>37,259</u>	<u>107,136</u>
Current liabilities	79,831	1,179	78,652
Total Liabilities	<u>79,831</u>	<u>1,179</u>	<u>78,652</u>
Net position:			
Net Investment in capital assets	5,767	2,789	2,978
Restricted	6,022	280	5,742
Unrestricted	52,775	33,011	19,764
Total Net Position	<u>\$ 64,564</u>	<u>\$ 36,080</u>	<u>\$ 28,484</u>

Total current assets increase of \$104,158 was due, in large part to a decrease in operating cash flows of \$105,390.

Current liabilities increased by \$78,652, in large part, to an increase in unearned revenue of \$78,198.

The largest portion of the Housing Authority's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Housing Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

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

**Seymour Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**March 31, 2024**  
**(Continued)**

**FINANCIAL ANALYSIS (Continued)**

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

	<u>03/31/24</u>	<u>03/31/23</u>	<u>Dollar Change</u>
<b>Revenues and Contributions</b>			
Operating, non-operating, capital contributions:			
HUD operating grants	\$ 918,049	\$ 732,647	\$ 185,402
Other income	10	206	(196)
Fraud recovery	<u>1,752</u>	<u>1,256</u>	<u>496</u>
<b>Total Revenues and Contributions</b>	<u>919,811</u>	<u>734,109</u>	<u>185,702</u>
<b>Expenses</b>			
Personnel services	79,683	79,329	354
Maintenance	79	458	(379)
Insurance	5,098	5,012	86
Other supplies and expenses	20,233	20,696	(463)
Housing Assistance Payments	785,239	649,357	135,882
Depreciation	<u>995</u>	<u>3,221</u>	<u>(2,226)</u>
<b>Total Expenses</b>	<u>891,327</u>	<u>758,073</u>	<u>133,254</u>
Change in net position	28,484	(23,964)	52,448
Beginning net position	<u>36,080</u>	<u>60,044</u>	<u>(23,964)</u>
Ending net position	<u>\$ 64,564</u>	<u>\$ 36,080</u>	<u>\$ 28,484</u>

*Revenues:*

As can be seen in the above table total revenues and contributions increased by \$185,702, in large part, due to HUD operating grants increasing by \$185,402.

Seymour Housing Authority's primary revenue sources are grants received from HUD. For the fiscal ending March 31, 2024, revenue generated by the Housing Authority accounted for \$1,762 (or 0.2% of total revenue), while HUD contributions accounted for \$918,049 (or 99.8% of total revenue).

**Seymour Housing Authority  
Management’s Discussion and Analysis (MD&A)  
March 31, 2024  
(Continued)**

**FINANCIAL ANALYSIS (Continued)**

*Expenses:*

Total expenses for the fiscal year ending March 31, 2024 were \$891,327 while for fiscal year ending March 31, 2023, they were \$758,073. This represents a 17.6% increase in our operating costs due primarily to a increase in housing assistance payments of \$135,882.

The following represents changes in Federal Assistance received:

	03/31/24	03/31/23	Dollar Change
Section 8 Housing Choice Voucher Program	\$ 918,049	\$ 732,647	\$ 185,402

The above chart is segregated as to the Program source of funds, not the use of funds. The Housing Choice Voucher Program increased due to incomes raising.

*Budget Analysis:*

A Low Rent Public Housing Operating Budget for the year ending March 31, 2024 was presented to and approved by the Board of Commissioners. Actual results were in line with budgeted amounts.

**OPERATIONAL HIGHLIGHTS**

The Seymour Housing Authority provided the following housing for low-income individuals and families:

	03/31/24	03/31/23
Section 8 Housing Choice Voucher Program	162	162

The Voucher program had a 99.9 percent lease rate for the fiscal year ended March 31, 2024.

**Seymour Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**March 31, 2024**  
**(Continued)**

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in its finances. Questions or comments concerning any of the information contained in this report or request for additional information should be directed to:

Jerilyn Wells, Executive Director  
Seymour Housing Authority  
301-309 N. Chestnut Street  
P.O. Box 822  
Seymour, Indiana 47274

## **FINANCIAL STATEMENTS**

**Seymour Housing Authority**  
**Statement of Net Position**  
**March 31, 2024**

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 126,529
Cash - other restricted	6,022
Prepaid expenses and other assets	6,077
Total Current Assets	138,628

Capital Assets:

Equipment	47,203
	47,203
Less: accumulated depreciation	(41,436)
Net Capital Assets	5,767

Total Assets	\$ 144,395
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**LIABILITIES and NET POSITION**

Current Liabilities:

Accrued expenses	\$ 1,633
Unearned revenue	78,198
Total Current Liabilities	79,831

Net Position:

Net investment in capital assets	5,767
Restricted net position	6,022
Unrestricted net position	52,775
Total Net Position	64,564

Total Liabilities and Net Position	\$ 144,395
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See notes to financial statements

**Seymour Housing Authority**  
**Statement of Revenues, Expenses, And**  
**Changes in Net Position**  
**Year Ended March 31, 2024**

**OPERATING REVENUES:**

Operating grants	\$ 918,049
	918,049
Total operating revenues	918,049

**OPERATING EXPENSES:**

Administrative	99,916
Maintenance	79
Insurance	5,098
Housing assistance payments	785,239
Depreciation	995
	891,327
Total operating expenses	891,327
Operating income (loss)	26,722

**NONOPERATING REVENUES:**

Fraud recovery	1,752
Other revenue	10
	1,762
Total non-operating revenues	1,762
Change in net position	28,484
Net Position, beginning	36,080
Net Position, ending	\$ 64,564

See notes to financial statements

**Seymour Housing Authority  
Statement of Cash Flows  
Year Ended March 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from operating grants	\$ 996,247
Cash payments to other suppliers of goods and services	(811,628)
Cash payments to employees for services	(79,229)
	_____

Net cash provided by operating activities	105,390
	_____

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Fraud recovery	1,751
Other revenue	10
	_____

Net cash provided by capital financing activities	1,761
	_____

**CASH FLOWS FROM CAPITAL ACTIVITIES:**

Capital outlays	(3,972)
	_____

Net Cash (used) by capital activities	(3,972)
	_____

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest income	0
	_____

Net cash provided by investing activities	0
	_____

Net increase (decrease) in cash	103,179
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Cash and cash equivalents, beginning	29,372
	_____

Cash and cash equivalents, ending	\$ 132,551
	_____

See notes to financial statements

**Seymour Housing Authority**  
**Statement of Cash Flows (Continued)**  
**Year Ended March 31, 2024**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH  
PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating income (loss)	\$ 26,722
Adjustments to reconcile operating (loss) to net cash provided (used)	
By operating activities:	
Depreciation	995
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Prepaid expenses	(979)
Unearned revenue	78,198
Accrued wages/payroll taxes payable	454
	<hr/>
Net cash provided by operating activities	<u>\$ 105,390</u>

See notes to financial statements

**Seymour Housing Authority**  
**Notes to Financial Statements**  
**March 31, 2024**

**NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Seymour Housing Authority (“SHA” or “Housing Authority”) is an independent municipal entity created by the City of Seymour pursuant to Indiana state law and the National Housing Act of 1937. Although the Housing Authority maintains close ties with the City of Seymour in several respects, the Housing Authority is not a component unit of the City, as defined by the Governmental Accounting Standards Board, since the City is not financially accountable for the operations of the Housing Authority, and has no responsibility to fund its deficits or receive its surpluses. The Housing Authority operates under a Board of Commissioner form of government to provide safe and decent housing for eligible low and moderate-income families and elderly individuals. The Board is comprised of seven members, all City residents, appointed by the City Mayor.

1. Reporting Entity

The Housing Authority’s financial statements include the accounts of all of the Housing Authority’s operations. The Housing Authority maintains its accounting records by program and operates the following programs:

**Section 8 Housing Choice Vouchers**

HUD provides grants to the Housing Authority to subsidize rents paid by low income families and issued vouchers affording them choices in renting from private landlords. The Housing Authority subsidizes the landlord for the differences between the rent requested and the tenant’s share of the rent not to exceed a predetermined payment standard. This program provided rental assistance to approximately 162 families and individuals this year.

1. Basis of Presentation and Accounting

In accordance with uniform financial reporting standards for HUD housing purposes, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged 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 or revenues earned, costs incurred, and/or net income

**NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. Basis of Presentation and Accounting (Continued)

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 cost charges.

2. Budgets and Budgetary Accounting

The Housing Authority adopts a formal operating budget each year for its operating programs and on a project-length basis for its capital expenditures, which are approved by the board of Commissioners and submitted to the U.S. Department of Housing and Urban Development for their approval, if required.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts. The cash equivalents are recorded at cost, which approximates market.

4. Prepaid Expenses

Prepaid expenditures, such as insurance premiums and deferred costs, which are expected to be written off within the next fiscal year, are included in net current assets.

5. Compensated Absences

Housing Authority employees are granted vacation days in varying amounts based on tenure with the Housing Authority. In the event of termination by retirement or death, an employee is paid for accumulated personal days according to personnel policies.

6. Inter-Program Activity

During the course of operations, transactions occur within individual programs that may result in amounts owed or transfers between programs. Offsetting inter-program receivables and payables as well as offsetting inter-program transfers are eliminated for financial statement presentation. For the fiscal year ended March 31, 2024, there were no inter-program receivables and payables and there were no operating transfers during the fiscal year.

**NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

7. Equipment

Equipment is recorded at historical cost. Costs in excess of \$500 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Equipment is depreciated using the straight-line method over the following estimated useful lives:

Equipment	3	-	10 years
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10. 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.

11. Income Taxes

The Housing Authority is a quasi-governmental entity. The Housing Authority is not subject to Federal or State income taxes.

12. Use of Estimates

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

13. 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.

14. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position will, when applicable, report separate sections for deferred outflows or resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources* a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

15. Unearned Revenue

The Housing Authority reports unearned revenue in connection with resources that have been received, but not yet earned.

16. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

17. Net Position

Net positions are comprised of three categories (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The Housing Authority's positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Housing Authority's policy is to first apply restricted resources. Each component of net position is reported separately on the statement of net position.

- i. Net Investment in capital assets – This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.
- ii. Restricted – This category equals the restricted cash of the Housing Authority and consists of net position restricted for use by (1) external groups such as grantors, creditors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- iii. Unrestricted – This category includes all of the remaining net position that do not meet the definition of the other two categories.

18. Subsequent Events

The financial statements and related disclosures include evaluation of events through and including June 26, 2024, which is the date the financial statements were available to be issued.

**NOTE B: CASH AND CASH EQUIVALENTS**

Indiana Code authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Indiana. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Indiana or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Indiana.

**NOTE B: CASH AND CASH EQUIVALENTS (CONTINUED)**

The Housing Authority has designated one bank for the deposit of its funds. The Housing Authority’s deposits are included on the balance sheet under the classification cash and cash equivalents and 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. Cash and cash equivalents balance was as follows:

Cash – operations	\$ 132,551
Total	<u>\$ 132,551</u>

The above deposits are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of March 31, 2024:

Bank deposits	\$ 132,551
Total	<u>\$ 132,551</u>

**Custodial Credit Risk of Bank Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the Housing Authority’s deposits may not be returned to it. At year end, the Housing Authority had no bank deposits that were uninsured and uncollateralized.

**NOTE C: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended March 31, 2024, was as follows:

	<u>Balance 03/31/23</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Balance 03/31/24</u>
<b>HCV Program</b>				
Equipment- admin.	\$ 43,231	\$ 3,972	\$ 0	\$ 47,203
	43,231	<u>3,972</u>	<u>0</u>	47,203
Less accumulated depreciation	(40,442)	\$ (994)	\$ 0	(41,436)
Total	<u>\$ 2,789</u>			<u>\$ 5,767</u>

Depreciation expense was charged to functions/programs of the government as follows:

Business-type activities:	
Housing Choice Voucher Program	<u>\$ 995</u>

## **NOTE D: COMMITMENTS AND CONTINGENCIES**

### **Commitments – Construction**

At March 31, 2024, the Housing Authority had no capital commitments:

### **Contingencies**

The Housing Authority is subject to possible examination by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Housing Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

## **NOTE E: RETIREMENT PLAN**

The Housing Authority does not have a retirement plan.

## **NOTE F: RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The Housing Authority carries commercial insurance coverage to cover this risk. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Housing Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**SUPPLEMENTARY INFORMATION**

*Barry E. Gaudette, CPA, PC*  
*3149 Lake Meadows Circle*  
*Traverse City, MI 49685*

**Independent Accountant’s Report on Applying Agreed-Upon Procedure**

To the Board of Commissioner  
Seymour Housing Authority

We have performed the procedure described in the second paragraph of this report, which was agreed to by the Seymour Housing Authority (the “Authority”) and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of the Authority and the U.S. Department of Housing and Urban Development, PIH-REAC. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the “UFRS Rule information” column with the corresponding printed documents listed in the “Hard Copy Documents” column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the “UFRS Rule Information” column agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the audit requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, for the Seymour Housing Authority as of and for the year ended March 31, 2024, and have issued our reports thereon dated October 16, 2024. The information in the “Hard Copy Documents” column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated October 16, 2024, was expressed in relation to the basic financial statements of the Authority taken as a whole.

**Independent Accountant’s Report on Applying Agreed-Upon Procedure  
Page Two**

A copy of the reporting package required by OMB Uniform Administrative Requirements, which includes the auditor’s reports, is available in its entirety from the Seymour Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

The purpose of this report on applying the agreed-upon procedure is solely to describe the procedure performed on the electronic submission of the items listed in the “UFRS Rule Information” column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

*Barry E. Gaudette, CPA, PC*

October 16, 2024

ATTACHMENT TO INDEPENDENT ACCOUNTANT’S REPORT ON  
APPLYING AGREED-UPON PROCEDURE

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Business Sheet, Revenue and Expense and Cash Flow Data	Financial Data Templates (i.e. the Financial Data Schedule)	X	
2	Footnotes	Footnotes to Audited Basic Financial Statements	X	
3	Type of Opinion on the Financial Statements and Compliance	Auditor’s Reports on the Financial Statements and Compliance	X	
4	Type of Opinion on Financial Data Templates	Auditor’s Supplemental Report on Financial Data Templates	X	

**Seymour Housing Authority**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended March 31, 2024**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor</u>	<u>Type</u>	<u>Federal ALN #</u>	<u>Expenditures</u>
<u>U.S. Department of HUD</u>			
<b>Section 8 Housing Choice Vouchers</b>	A - Major	14.871	<u>918,049</u>
Total Federal Financial Awards			<u>\$ 918,049</u>
<b>Threshold for Type A/Type B Program</b>			<u>\$ 750,000</u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

**Basis of Accounting** - - The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Housing Authority under programs of the federal government for the year ended March 31, 2024. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the Uniform Guidance, Audit of States, Local Governments, and Non-Profit Organizations. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of the Housing Authority.

**Indirect Cost Rate** - - The Housing Commission did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

*Barry E. Gaudette, CPA, PC  
3149 Lake Meadows Circle  
Traverse City, Michigan 49685*

**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***

To the Board of Housing Commissioners  
Seymour Housing Authority  
Jackson County, Indiana

We 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 business-type activities of the Seymour Housing Authority, Indiana, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Seymour Housing Authority, Indiana's basic financial statements, and have issued our report thereon dated June 26, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Seymour Housing Authority, Indiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Seymour Housing Authority, Indiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Seymour Housing Authority, Indiana'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 a 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.

Our 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 our audit we did not identify any deficiencies in internal control that we 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 Seymour Housing Authority, Indiana's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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 on 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.

***Barry E. Gaudette, CPA, PC***

June 26, 2024

*Barry E. Gaudette, CPA, PC  
3149 Lake Meadows Circle  
Traverse City, Michigan 49685*

**Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Housing Commissioners  
Seymour Housing Authority  
Jackson County, Indiana

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

We have audited Seymour Housing Authority, Indiana'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 Seymour Housing Authority, Indiana's major federal programs for the year ended March 31, 2024. Seymour Housing Authority, Indiana'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Seymour Housing Authority, Indiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 we 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 direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Seymour Housing Authority, Indiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Seymour Housing Authority, Indiana's compliance.

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

In our opinion, the Seymour Housing Authority, Indiana, 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 March 31, 2024.

### **Report on Internal Control over Compliance**

Management of the Seymour Housing Authority, Indiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Seymour Housing Authority, Indiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Seymour Housing Authority, Indiana's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance 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 requirement 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 a 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 attention by those charged with governance.

Our 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Barry E. Gaudette, CPA, PC*

June 26, 2024

**Seymour Housing Authority  
Status of Prior Audit Findings  
March 31, 2024**

There were no prior year findings.

**Seymour Housing Authority**  
**Schedule of Findings and Questioned Costs**  
**March 31, 2024**

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? none reported

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with *Audit Requirements for Federal Awards* (Uniform Guidance)? No

Identification of major programs;

<i>ALN #</i>	<i>Name of Federal Program or Cluster</i>
14.871	Housing Voucher Cluster

**Section II - Findings Related to the Financial Statements**

There were no findings which are required to be reported under *Government Auditing Standards*.

**Section III - Findings and Questioned Costs for Federal Awards**

There were no findings or questioned costs.