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June 10, 2014

Board of Directors
Bloomfield Housing Authority
100 W. Main, Box 801
Bloomfield, IN 47424

We have reviewed the audit report prepared by Jean Sickels, CPA, Independent Public Accountant, for the period January 1, 2012 to December 31, 2012. 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 Bloomfield Housing Authority, as of December 31, 2012 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.

STATE BOARD OF ACCOUNTS

BLOOMFIELD HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

Bloomfield, Indiana

December 31, 2012

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120
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BLOOMFIELD
HOUSING AUTHORITY

Bloomfield, Indiana
December 31, 2012

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Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Bloomfield Housing Authority
100 W Main, PO Box 801
Bloomfield, IN

Report on the Financial Statements

I have audited the accompanying financial statements of the Bloomfield Housing Authority ("the Authority") which comprise the statement of net position as of December 31, 2012, and the related statements of changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

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 Bloomfield Housing Authority as of December 31, 2012, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on 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 vii 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. The accompanying 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. 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated May 15, 2013 on my consideration of the Bloomfield Housing 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 to describe the scope of my testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance the *Government Auditing Standards* in considering the Housing Authority of the City of Spencer's internal control over financial reporting and compliance.



Certified Public Accountant

Fredericksburg, Indiana
May 15, 2013

HOUSING AUTHORITY OF THE CITY OF BLOOMFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2012

Management's Discussion and Analysis

As management of the Housing Authority of the City of Bloomfield, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the City of Bloomfield.

Overview of the Financial Statements

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

- Statement of Net Position – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statement of Changes in Position reports the Authority's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows – reports the Authority's cash flows from operating, investing, capital and non-capital activities.
- Comparison of budget vs. actual – reports the Authority's actual operating revenues and expenses versus the budgeted amounts.

Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authorities finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of entity wide net position, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in them. One can think of the Authority's net position as the difference between what the Authority own's (assets) to what the Authority owes (liabilities). The change in net position analysis will assist the reader with measuring the health or financial position of the Authority.

HOUSING AUTHORITY OF THE CITY OF BLOOMFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2012
(Continued)

Over time, significant changes in the Authorities net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authorities capital assets.

To fully understand the financial statements of the Housing Authority, one must start with an understanding of what the Authority actual does. The following is a brief description of the programs and services that the Authority provides for the residents of Bloomfield:

Low Income Public Housing (LIPH)

The Housing Authority owns 92 units at 2 sites in Bloomfield. The Authority is responsible for the management, maintenance and utilities for all units and sites. On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has an Allowable Expense Level, Allowable Utilities Expense Level and Audit Costs and that HUD will fund the difference between the Allowable Expenses and the amount of rents that the Authority can charge the Authority's tenants.

Section 8 Housing Choice Vouchers (Section 8 Vouchers)

HUD has contracted with the Housing Authority support for 50 Housing Choice Vouchers. The Authority pays Housing Assistance Payments to Landlords for Low Income tenants. The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay. For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Housing Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program.

Capital Fund Grant (CFP)

This grant program is awarded by HUD on an annual basis. The purpose of these grants is to improvement the Authority's sites and the management of the Authority. The Authority requisitions funds from HUD as the Authority expends funds. The Authority is permitted four years to fully expend an annual award.

Future Events (New Business)

There are no future events planned by the Authority during the fiscal year ending December 31, 2012. That will significantly affect the Authority's Net Position either positively or negatively.

HOUSING AUTHORITY OF THE CITY OF BLOOMFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2012
(Continued)

Condensed Comparative Financial Statements

Analysis of Entity Wide Net Position (Statement of Net Position)

Total Assets for FYE 2012 was \$1,489,765 and at FYE 2011 the amount was \$1,705,015. This represents a net decrease of \$215,250.

Current Assets increased by \$54. Cash increased, net of accounts receivable, prepaid expenses and inventory decreased.

Capital Assets decreased by \$215,304. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities decreased by \$4,773. The change in current liabilities was due to a decrease in security deposits held, fewer current accounts payable.

The table below illustrates our analysis:

	2012	2011	Net Change	Percent Variance
Current Assets	\$ 231,966	\$ 231,912	\$ 54	0.0%
Capital Assets, Net	1,257,799	1,473,103	(215,304)	-14.6%
Total Assets	\$ 1,489,765	\$ 1,705,015	\$ (215,250)	-12.6%
Current Liabilities	\$ 47,093	\$ 51,866	\$ (4,773)	-9.2%
Total Liabilities	47,093	51,866	(4,773)	-9.2%
Net Position:				
Unrestricted	124,250	124,220	30	0.0%
Restricted	60,623	55,826	4,797	8.6%
Net Investment in Capital Assets	1,257,799	1,473,103	(215,304)	-14.6%
Total Net Position	\$ 1,489,765	\$ 1,705,015	\$ (210,477)	-12.3%

HOUSING AUTHORITY OF THE CITY OF BLOOMFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2012
(Continued)

Analysis of Entity Wide Revenues (Statement of Changes in Net Position)

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2012 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Low Income Public Housing	420,142
Section 8 Vouchers	156,471
Capital Fund Program	102,456

Total revenues for Fiscal Year Ending December 31, 2012 were \$679,069 as compared to the total revenues for Fiscal Year Ending December 31, 2011 of \$690,057. Comparatively, Fiscal Year Ending 2012 revenues decreased from Fiscal Year Ending 2011 revenues by \$10,988.

	2012	2011	Net Change	Percentage Change
Total Tenant Revenue	\$ 291,271	\$ 287,259	\$ 4,012	1.4%
HUD Operating Grants	379,845	389,092	(9,247)	-2.4%
Investment Income	335	498	(163)	-32.7%
Other Revenue	7,885	13,208	(5,323)	-40.3%
Total Revenue	<u>\$ 679,336</u>	<u>\$ 690,057</u>	<u>\$ (10,721)</u>	<u>-1.6%</u>

Analysis of Entity Wide Expenditures

Total Expenditures for Fiscal Year Ending December 31, 2012 were \$889,813 as compared to \$895,244. Total expenditures for Fiscal Year Ending December 31, 2011. Comparatively, Fiscal Year Ending 2012 expenditures decreased from Fiscal Year Ending 2011 expenditures by \$5,431. Changes by major expense category will be presented below.

Administrative expenditures increased by \$8,882 or 4.2%. The major cause for this increase was increase in salaries and office expenses.

Tenant Services expenditures increased by \$99 or 2.7%.

HOUSING AUTHORITY OF THE CITY OF BLOOMFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2012
(Continued)

Utilities decreased by \$3,981 or 3.8%. Electric costs increased by \$1,365, water increased by \$274, sewer no change, and gas decreased by \$5,620.

Maintenance expenditures decreased by \$17,812 or 13.5%. The major cause for this decrease is the Authority used capital funds for major expenditures.

Housing Assistance Payments decreased by \$4,939 or 3.6%. Leased units for the Voucher Program decreased by 11 units from fiscal year 2011.

The table below illustrates our analysis:

Administrative	\$ 221,032	\$ 212,150	\$ 8,882	4.20%
Tenant Services	3,809	3,710	99	2.70%
Utilities	101,908	105,889	(3,981)	-3.80%
Maintenance	113,835	131,647	(17,812)	-13.50%
General Expense	41,786	33,180	8,606	25.90%
Housing Assistance Payments	133,981	138,920	(4,939)	-3.60%
Depreciation Expense	273,462	269,748	3,714	1.40%
Total Expenses	\$ 889,813	\$ 895,244	\$ (5,431)	0%

Budgetary Analysis

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public housing is adopted on the basis of accounting prescribed by the Housing and Urban Development, which differs in some respects from generally accepted accounting principles. Program budgets for the Section 8 Programs are approved by the U.S. Department of Housing and Urban Development.

The Authority prepares a budget for each fiscal year of Capital Fund Grant Program that is approved. The Authority is permitted four years to expended these funds. Income is only recognized as funds are expended. For the purposes of this analysis, the amount budget is equal to the actual expense.

HOUSING AUTHORITY OF THE CITY OF BLOOMFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2012
(Continued)

Housing Authority Budgetary Highlights

Results of Operations

Management prepared a budget that anticipated a loss of \$252,486. Actual results of operation reflected a loss of \$210,477.

Tenant Rental Revenues was under budget by \$8,846 or 3.7%. Units leased for the Public Housing Program increased by 5%. This is lower than what was projected in the Operating Budget.

HUD Operating Grants were under budget by 6,652.

Other Income was over budget by \$10,913 or 30.3%.

Administrative Expenses were over budget by \$28,383 or 12.8%.

Utilities were under budget by \$5,800 or 5.7%. The cost of electricity was more than budgeted.

Housing Assistance Payments were over by \$849 versus what the HA received for these for these payments from HUD. The Authority anticipated a slightly higher Section 8 leasing increase than the actual increase.

	Budget	Actual	Variance	Percent Variances
Tenant Revenue	\$271,983	\$263,137	(\$ 8,846)	3.7%
HUD Operating Grants	328,339	321,687	6,642	2%
HUD Capital Grants	58,158	58,158	0	0%
Investment Income	300	335	(35)	10.4%
Other Revenue	25,106	36,019	(10,913)	30.3%
Total Revenue	683,886	679,336	4,550	.6%
Administrative	192,649	221,032	(28,383)	12.8%
Tenant Services	1,000	3,809	(2,809)	73.7%
Utilities	107,708	101,908	(5,800)	5.7%
Maintenance	106,386	113,835	(7,449)	6.5%
General Expense	23,657	41,786	(18,129)	43.4%
Housing Assistance Payments	133,981	133,981	0	0%
Depreciation Expenses	273,462	273,462	0	0%
Total Expenses	838,843	889,813	(65,103)	51.1%
Net Income/(Loss)	(\$154,957)	(\$210,477)	(\$43,558)	20.7%

HOUSING AUTHORITY OF THE CITY OF BLOOMFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2012
(Continued)

ANALYSIS OF CAPITAL ASSET ACTIVITY

Buildings & Leasehold Improvements increased \$16,602 or less than 1%.

Furniture, Equipment & Machinery – Dwelling decreased by a net amount \$24 or less than 1%.

Furniture, Equipment & Machinery – Administration increased by a net amount \$21,925 or 12.8%.

Accumulated Depreciation increased by \$273,462 or 7.5%. This is the amount of current year depreciation expense.

Land	\$ 147,934	\$ 147,934	\$ -	0.0%
Buildings	4,675,980	4,659,378	16,602	0.4%
Furniture, Equipment, & Machinery - Dwelling	137,394	137,418	(24)	0.0%
Furniture, Equipment, & Machinery - Administrative	192,582	170,657	21,925	12.8%
Construction in Process	26,983	7,328	19,655	268.2%
Total Capital Assets	5,180,873	5,122,715	58,158	1.1%
Accumulated Depreciation	3,923,074	3,649,612	273,462	7.5%
Net Capital Assets	\$ 1,257,799	\$ 1,473,103	\$ (215,304)	-14.6%

FINANCIAL STATEMENTS

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF NET POSITION
DECEMBER 31, 2012

ASSETS

Current Assets

Cash	\$	132,993
Restricted cash and cash equivalents		78,049
Accounts receivable, net		982
Prepaid expenses		18,595
Inventory		1,347
Current Assets		<u>231,966</u>

Capital Assets

Land and other nondepreciable assets		174,917
Depreciable capital assets, net		1,082,882
Total Capital Assets		<u>1,257,799</u>

TOTAL ASSETS

1,489,765

LIABILITIES

Current liabilities

Accounts payable		5,902
Accrued liabilities		22,748
Payable from restricted cash and and cash equivalents:		
Tenants security deposits		17,426
Deferred revenue		1,017
Current liabilities		<u>47,093</u>

Total Liabilities

47,093

NET POSITION

Unrestricted		124,250
Restricted		60,623
Net investment in capital assets		1,257,799
Total Net Position	\$	<u>1,442,672</u>

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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

OPERATING REVENUES

Rental income	\$ 291,271
Other income	7,885
	<hr/>
TOTAL OPERATING REVENUE	299,156

OPERATING EXPENSES

Administrative	234,733
Tenant services	3,809
Utilities	101,908
Ordinary maintenance and operation	119,117
General expense	22,803
Housing assistance payments	133,981
Depreciation expense	273,462
	<hr/>
TOTAL OPERATING EXPENSES	889,813

OPERATING INCOME (LOSS) (590,657)

NONOPERATING REVENUES (EXPENSES)

Federal operating grants	321,687
Interest income	335
	<hr/>

TOTAL NONOPERATING REVENUES (EXPENSES) 322,022

CAPITAL CONTRIBUTIONS 58,158

CHANGE IN NET POSITION **(210,477)**

TOTAL NET POSITION - BEGINNING OF YEAR 1,653,149

TOTAL NET POSITION - END OF YEAR **\$ 1,442,672**

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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and other deposits	\$	299,248
Payments to vendors		(327,045)
Payments to landlords		(133,981)
Payments to employees		(158,404)
Net Cash Used by Operating Activities		<u>(320,182)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received		<u>321,687</u>
Net Cash Flows Provided by Noncapital Financing Activities		<u>321,687</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants received		58,158
Acquisition and construction of capital assets		<u>(58,158)</u>
Net Cash Flows Provided (Used) by Capital and Related Financing Activities		<u>0</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		<u>335</u>
Net Cash Provided by Investing Activities		<u>335</u>

Net Increase (Decrease) in Cash and Cash Equivalents 1,840

Cash - Beginning of year 209,202

Cash - End of year \$ **211,042**

Reconciliation of Cash

Unrestricted \$ 132,993

Restricted 78,049

Total Cash and Cash Equivalents \$ **211,042**

Continued

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

RECONCILIATION OF OPERATING (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(590,657)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation		273,462
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		92
Prepaid expenses		1,141
Inventory		553
Increase (Decrease) in:		
Accounts payable		(5,515)
Accrued liabilities		434
Deferred revenue		308
Net Cash Flows Provided by Operating Activities	\$	<u>(320,182)</u>

The accompanying notes are an integral part of these financial statements

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE A - Summary of Significant Accounting Policies and Organization:

The financial statements of the BLOOMFIELD HOUSING AUTHORITY ("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 Bloomfield Housing Authority. 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 Bloomfield Housing Authority include the following:

At December 31, 2012, the Housing Authority has 142 units under management.

<u>Project</u>	<u>Units</u>
Low Income Public Housing	92
Vouchers	<u>50</u>
TOTAL	<u>142</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 Changes in 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.

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

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:

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

(Continued)

NOTE A - Summary of Significant Accounting Policies: (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. The Authority has no debt.

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. The requirements imposed by HUD represent a legally enforceable requirement upon this Voucher program.

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 purchased and non negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital, and financing activities during the year.

Tenant Receivables - Receivables 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 - Prepaids represent payments made to vendors for services that will benefit beyond December 31, 2012.

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.

Capital assets - Capital assets purchased are recorded 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 \$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.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

(Continued)

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

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	15-40 years
Maintenance and Office equipment	3-7 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 relate 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 cost 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, 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 liabilities and disclosure of contingent liabilities at the date of the financial statements and reported 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 schedules as "Rental income". Rental income per resident generally remains consistent from year to year, but is affected by general economic conditions which impact personal income, such as local job availability.

NOTE B - Deposits, Cash and Cash Equivalents:

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.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

(Continued)

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

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.

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 the time of purchase. At December 31, 2012, the Authority's deposits 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.

At December 31, 2012, the carrying amount of the Authority's deposits was \$211,042. 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 and Section 8 HAP reserves.

Deposits consist of the following:

Checking accounts	\$ 191,042
Certificates of deposit	<u>20,000</u>
Total	<u>\$ 211,042</u>

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2012, consist of the following:

Tenants, net of allowance of \$368	<u>\$ 982</u>
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NOTE D - Prepaid Expenses:

Prepaid expenses at December 31, 2012, consist of the following:

Prepaid insurance	<u>\$ 18,595</u>
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BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)

NOTE E - Inventory

Inventory at December 31, 2012, consist of the following:

Inventory \$ 1,347

NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance <u>12/31/11</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>12/31/12</u>
Capital assets, not being depreciated:				
Land	\$ 147,934	\$ 0	\$ 0	\$ 147,934
Construction in Progress	<u>7,328</u>	<u>58,158</u>	<u>(38,503)</u>	<u>26,983</u>
Total Capital Assets, not being depreciated	<u>155,262</u>	<u>58,158</u>	<u>(38,503)</u>	<u>174,917</u>
Capital Assets, being depreciated:				
Buildings and Improvements	4,659,378	16,602	0	4,675,980
Furniture, equipment & Machinery	<u>308,075</u>	<u>21,901</u>	<u>0</u>	<u>329,976</u>
Total Capital Assets, being depreciated	<u>4,967,453</u>	<u>38,503</u>	<u>0</u>	<u>5,005,956</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(3,435,082)	(252,740)	0	(3,687,822)
Furniture, equipment & Machinery	<u>(214,530)</u>	<u>(20,722)</u>	<u>0</u>	<u>(235,252)</u>
Total Accumulated Depreciation	<u>(3,649,612)</u>	<u>(273,462)</u>	<u>0</u>	<u>(3,923,074)</u>
Total Capital Assets, being depreciated, net	<u>1,317,844</u>	<u>(234,959)</u>	<u>0</u>	<u>1,082,882</u>
Capital Assets, Net	<u>\$ 1,473,103</u>	<u>\$ (176,801)</u>	<u>\$ (38,503)</u>	<u>\$ 1,257,799</u>

Major construction renovation through the Capital Fund Grant Program costs of \$29,170 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Depreciation expense of \$273,462 was incurred during the year.

NOTE G - Accounts payable:

Accounts payable at December 31, 2012, consist of the following:

Vendors' accounts payable \$ 5,902

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)

NOTE H - Accrued Liabilities:

Accrued liabilities at December 31, 2012, consist of the following:

Accrued compensated absences and payroll \$ 22,748

NOTE I - Deferred Revenue:

Deferred revenue at December 31, 2012, consists of the following:

Prepaid rent \$ 1,017

NOTE J - Federal Operating Grants:

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contracts. These subsidy contribution for the operating year ended December 31, 2012 were as follows:

Low Rent Public Housing	\$ 125,309
Housing Choice Vouchers	152,080
Capital Fund Programs	<u>44,298</u>
Total	<u>\$ 321,687</u>

NOTE K - 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, 2012 were \$58,158.

NOTE L - Commitments and Contingencies:

Litigation - At December 31, 2012, the Authority was not involved in any threatened litigation.

Examinations - The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws 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, 2012.

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.

Construction Projects: There are certain major construction projects in progress at December 31, 2012. These include modernizing rental units at the project sites. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. These costs will be paid by grants committed to the Authority by HUD.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

(Continued)

NOTE M - 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.

The Authority participates in a public entity risk pool (Indiana Housing Authority Risk Retention Pool) for general liability, and Directors and Officers liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

NOTE N - Economic Dependency:

The Authority receives approximately 56% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

NOTE O - Conduit Type Debt:

Debt related to the original acquisition and early modernization of the public housing developments 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.

HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

NOTE P - Defined Contribution Plan:

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depends solely on the amount contributed to the participant's account, the returns earned on investments of those contributions. And forfeitures of other participant's' benefits that may be allocated to such participant's account.

The Authority provides pension benefits for all its full-time employees through a defined contribution plan with MetLife. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of full-time employment. The Authority contributes an amount equal to 13.0% of the employee base salary each month. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately. The Authority's total pension contribution in fiscal year 2012 was \$22,880. Total annual payroll expense was \$174,972.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)

NOTE P - Defined Contribution Plan: (Continued)

Valuation of Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

NOTE Q - Interprogram transfers:

A summary of interfund transfers during December 31, 2012 are as follows:

	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>
Low Rent	\$ 102,456	\$ 0
Capital Fund	<u>0</u>	<u>102,456</u>
Total	<u>\$ 102,456</u>	<u>\$ 102,456</u>

SUPPLEMENTAL FINANCIAL INFORMATION

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION
DECEMBER 31, 2012

	Annual Contributions Contracts		
	C-603	C-032	C-603
	Low Income Public Housing	Section 8 Voucher Program	Capital Fund Programs
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash	\$ 125,906	\$ 7,087	\$ 0
Restricted cash and cash equivalents	17,426	60,623	0
Accounts receivable, net	982	0	0
Interprogram due from	0	0	0
Prepaid expenses	18,021	574	0
Inventory	1,347	0	0
Current Assets	163,682	68,284	0
<u>Capital Assets</u>			
Land and other nondepreciable assets	174,917	0	0
Depreciable capital assets, net	1,082,882	0	0
Total Capital Assets	1,257,799	0	0
TOTAL ASSETS	1,421,481	68,284	0
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Accounts payable	5,752	150	0
Accrued liabilities	21,351	1,397	0
Payable from restricted cash and and cash equivalents:			
Tenants security deposits	17,426	0	0
Interprogram due to	0	0	0
Deferred revenue	1,017	0	0
Current liabilities	45,546	1,547	0
Total Liabilities	45,546	1,547	0
<u>Net Position</u>			
Unrestricted	118,136	6,114	0
Restricted	0	60,623	0
Net investment in capital assets	1,257,799	0	0
Total Net Position	\$ 1,375,935	\$ 66,737	\$ 0

Total

\$ 132,993
78,049
982
0
18,595
1,347
231,966

174,917
1,082,882
1,257,799

1,489,765

5,902
22,748

17,426
0
1,017
47,093

47,093

124,250
60,623
1,257,799
\$ 1,442,672

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

COMBINING SCHEDULE OF CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Annual Contributions Contracts		
	C-603	C-032	C-603
	Low Income Public Housing	Section 8 Voucher Program	Capital Fund Programs
<u>OPERATING REVENUES</u>			
Rental income	\$ 291,271	\$ 0	\$ 0
Other income	3,599	4,286	0
TOTAL OPERATING REVENUE	294,870	4,286	0
<u>OPERATING EXPENSES</u>			
Administrative	210,987	23,746	0
Tenant services	3,809	0	0
Utilities	101,908	0	0
Ordinary maintenance and operation	119,117	0	0
General expense	22,230	573	0
Housing assistance payments	0	133,981	0
Depreciation expense	273,462	0	0
TOTAL OPERATING EXPENSES	731,513	158,300	0
OPERATING INCOME (LOSS)	(436,643)	(154,014)	0
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Federal operating grants	125,309	152,080	44,298
Interest income	230	105	0
TOTAL NONOPERATING REVENUES (EXPENSES)	125,539	152,185	44,298
CAPITAL CONTRIBUTIONS	0	0	58,158
CHANGE IN NET POSITION	(311,104)	(1,829)	102,456
TOTAL NET POSITION - BEGINNING OF YEAR	1,584,583	68,566	0
Equity transfers	102,456	0	(102,456)
TOTAL NET POSTIION - BEGINNING OF YEAR as restated	1,687,039	68,566	(102,456)
TOTAL NET POSITION - END OF YEAR	\$ 1,375,935	\$ 66,737	\$ 0

Total

\$ 291,271
7,885

299,156

234,733
3,809
101,908
119,117
22,803
133,981
273,462

889,813

(590,657)

321,687
335

322,022

58,158

(210,477)

1,653,149

0

1,653,149

\$ 1,442,672

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS - COMPLETED
DECEMBER 31, 2012

Annual Contributions Contract IN032

501-11

1. The Capital Fund Grant Costs are as follows:

Funds Approved	\$	89,402
Funds Expended		<u>89,402</u>
Excess / (Deficiency) of Funds Approved	\$	<u><u>0</u></u>
Funds Advanced	\$	89,402
Funds Expended		<u>89,402</u>
Excess / (Deficiency) of Funds Advanced	\$	<u><u>0</u></u>

2. Costs additions totaling \$ 49,866 were made during the current audit period and, accordingly, were audited by Jean Sickels, CPA.

3. The total amount of the Capital Fund Grant Costs at December 31, 2012 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.

Bloomfield Housing Authority (IN032)
 BLOOMFIELD, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2012

	Project Total	14,871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$124,889	\$7,087	\$131,976	\$131,976
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$60,623	\$60,623	\$60,623
114 Cash - Tenant Security Deposits	\$17,426		\$17,426	\$17,426
115 Cash - Restricted for Payment of Current Liabilities	\$1,017		\$1,017	\$1,017
100 Total Cash	\$143,332	\$67,710	\$211,042	\$211,042
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$1,350		\$1,350	\$1,350
126.1 Allowance for Doubtful Accounts - Tenants	-\$368		-\$368	-\$368
126.2 Allowance for Doubtful Accounts - Other				
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$982	\$0	\$982	\$982
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$18,021	\$574	\$18,595	\$18,595
143 Inventories	\$1,347		\$1,347	\$1,347
143.1 Allowance for Obsolete Inventories	\$0		\$0	\$0
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$163,682	\$68,284	\$231,966	\$231,966
161 Land	\$147,934		\$147,934	\$147,934
162 Buildings	\$4,675,980		\$4,675,980	\$4,675,980
163 Furniture, Equipment & Machinery - Dwellings	\$137,394		\$137,394	\$137,394
164 Furniture, Equipment & Machinery - Administration	\$192,582		\$192,582	\$192,582
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$3,923,074		-\$3,923,074	-\$3,923,074
167 Construction in Progress	\$26,983		\$26,983	\$26,983
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,257,799	\$0	\$1,257,799	\$1,257,799
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$1,257,799	\$0	\$1,257,799	\$1,257,799
190 Total Assets	\$1,421,481	\$68,284	\$1,489,765	\$1,489,765

311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$5,752	\$150	\$5,902	\$5,902
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$612		\$612	\$612
322 Accrued Compensated Absences - Current Portion	\$20,739	\$1,397	\$22,136	\$22,136
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits	\$17,426		\$17,426	\$17,426
342 Deferred Revenues	\$1,017		\$1,017	\$1,017
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other	\$0		\$0	\$0
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$45,546	\$1,547	\$47,093	\$47,093
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current				
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300 Total Liabilities	\$45,546	\$1,547	\$47,093	\$47,093
508.1 Invested in Capital Assets, Net of Related Debt	\$1,257,799		\$1,257,799	\$1,257,799
511.1 Restricted Net Assets		\$60,623	\$60,623	\$60,623
512.1 Unrestricted Net Assets	\$118,136	\$6,114	\$124,250	\$124,250
513 Total Equity/Net Assets	\$1,375,935	\$66,737	\$1,442,672	\$1,442,672
600 Total Liabilities and Equity/Net Assets	\$1,421,481	\$68,284	\$1,489,765	\$1,489,765

Bloomfield Housing Authority (IN032)
BLOOMFIELD, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2012

	Project Total	14,871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	\$263,137		\$263,137	\$263,137
70400 Tenant Revenue - Other	\$28,134		\$28,134	\$28,134
70500 Total Tenant Revenue	\$291,271	\$0	\$291,271	\$291,271
70600 HUD PHA Operating Grants	\$169,607	\$152,080	\$321,687	\$321,687
70610 Capital Grants	\$58,158		\$58,158	\$58,158
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$230	\$12	\$242	\$242
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$3,599	\$4,286	\$7,885	\$7,885
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted		\$93	\$93	\$93
70000 Total Revenue	\$522,865	\$156,471	\$679,336	\$679,336
91100 Administrative Salaries	\$121,663	\$10,336	\$131,999	\$131,999
91200 Auditing Fees	\$4,385	\$1,366	\$5,751	\$5,751
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$60,714	\$7,206	\$67,920	\$67,920
91600 Office Expenses	\$12,825	\$90	\$12,915	\$12,915
91700 Legal Expense	\$742		\$742	\$742
91800 Travel	\$1,820	\$45	\$1,865	\$1,865
91810 Allocated Overhead				
91900 Other	\$8,838	\$4,703	\$13,541	\$13,541
91000 Total Operating - Administrative	\$210,987	\$23,746	\$234,733	\$234,733
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$3,809		\$3,809	\$3,809
92500 Total Tenant Services	\$3,809	\$0	\$3,809	\$3,809
93100 Water	\$4,392		\$4,392	\$4,392
93200 Electricity	\$51,782		\$51,782	\$51,782
93300 Gas	\$15,926		\$15,926	\$15,926
93400 Fuel				
93500 Labor				
93600 Sewer	\$29,808		\$29,808	\$29,808
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$101,908	\$0	\$101,908	\$101,908

94100 Ordinary Maintenance and Operations - Labor	\$42,972		\$42,972	\$42,972
94200 Ordinary Maintenance and Operations - Materials and Other	\$7,370		\$7,370	\$7,370
94300 Ordinary Maintenance and Operations Contracts	\$32,547		\$32,547	\$32,547
94500 Employee Benefit Contributions - Ordinary Maintenance	\$36,228		\$36,228	\$36,228
94000 Total Maintenance	\$119,117	\$0	\$119,117	\$119,117
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$16,743		\$16,743	\$16,743
96120 Liability Insurance	\$230		\$230	\$230
96130 Workmen's Compensation	\$2,243	\$748	\$2,991	\$2,991
96140 All Other Insurance	\$1,222		\$1,222	\$1,222
96100 Total insurance Premiums	\$20,438	\$748	\$21,186	\$21,186
96200 Other General Expenses	\$931		\$931	\$931
96210 Compensated Absences	\$861	-\$175	\$686	\$686
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$1,792	-\$175	\$1,617	\$1,617
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$458,051	\$24,319	\$482,370	\$482,370
97000 Excess of Operating Revenue over Operating Expenses	\$64,814	\$132,152	\$196,966	\$196,966
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$129,977	\$129,977	\$129,977
97350 HAP Portability-In		\$4,004	\$4,004	\$4,004
97400 Depreciation Expense	\$273,462		\$273,462	\$273,462
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$731,513	\$158,300	\$889,813	\$889,813
10010 Operating Transfer In	\$33,557		\$33,557	\$33,557
10020 Operating transfer Out	-\$33,557		-\$33,557	-\$33,557
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$208,648	-\$1,829	-\$210,477	-\$210,477

11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,584,583	\$68,566	\$1,653,149	\$1,653,149
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity		\$6,114	\$6,114	\$6,114
11180 Housing Assistance Payments Equity		\$60,623	\$60,623	\$60,623
11190 Unit Months Available	1104	600	1704	1704
11210 Number of Unit Months Leased	1002	435	1437	1437
11270 Excess Cash	\$61,489		\$61,489	\$61,489
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$36,257		\$36,257	\$36,257
11630 Furniture & Equipment - Dwelling Purchases	\$2,725		\$2,725	\$2,725
11640 Furniture & Equipment - Administrative Purchases	\$19,176		\$19,176	\$19,176
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

OTHER REPORTS

Jean Sickels

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*

Board of Commissioners
Bloomfield Housing Authority
100 W Main, PO Box 801
Bloomfield, IN

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 Bloomfield Housing Authority, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Bloomfield Housing Authority's basic financial statements and have issued my report thereon dated May 15, 2013.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Bloomfield Housing Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of Bloomfield Housing Authority in a separate letter dated May 15, 2013.

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.



Alan Smith
Certified Public Accountant

Fredericksburg, Indiana
May 15, 2013

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

DECEMBER 31, 2012

SCHEDULE OF FINDINGS AND RESPONSES

PRIOR YEAR FINDINGS

There were no prior year findings.

CURRENT YEAR FINDINGS

There are no current year findings.

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

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Mobile No. (404) 307-5903

May 15, 2013

Board of Commissioners
Bloomfield Housing Authority
100 W Main, PO Box 801
Bloomfield, IN

In planning and performing my audit of the financial statements of the Bloomfield Housing Authority as of and for the year ended December 31, 2012, I considered the Authority's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during my audit, I became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect my report dated May 15, 2013 on the financial statements of the Authority.

I will review the status of the comments during my next audit engagement. I have already discussed the comments and suggestions with Authority personnel, and will be pleased to discuss the comments in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendation. My comments are summarized as follows:

1. CONDITION: JOURNAL VOUCHERS

The Authority does not have a system where they document, review and approve Journal Vouchers.

RECOMMENDATION:

The Authority should implement internal controls to document preparation and approval of Journal Vouchers.

2. CONDITION: INVENTORY

The inventory on the books is based upon an estimate.

RECOMMENDATION:

The Authority should conduct an actual physical count.

I wish to thank the Executive Director and the staff of the Authority for their support and assistance during my audit.

This report is intended solely for the information and use of the Board of Commissioners, Management, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,


Jean Sickels
Certified Public Accountant