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January 13, 2016

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

We have reviewed the audit report prepared by Goldie Roberts, CPA, Independent Public Accountant, for the period January 1, 2013 to December 31, 2013. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Angola Housing Authority, as of December 31, 2013 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

Paul D. Joyce, CPA  
State Examiner

# HOUSING AUTHORITY OF THE CITY OF ANGOLA

AUDITED FINANCIAL STATEMENTS

Angola, Indiana

December 31, 2013

*Goldie Roberts*

Certified Public Accountant

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

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Decatur, GA 30033  
404-297-9881

HOUSING AUTHORITY OF THE CITY OF ANGOLA

Angola, Indiana  
DECEMBER 31, 2013

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	i
 <u>FINANCIAL STATEMENTS</u>	
Statement of Net Position	3
Statement of Revenues, Expenses, and Changes in Fund Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	7
 <u>SUPPLEMENTAL FINANCIAL INFORMATION</u>	
Combining Schedule of Program Net Position	17
Combining Schedule of Program Revenues, Expenses and Changes in Fund Net Position	18
Financial Data Schedule	19
 <u>OTHER REPORTS</u>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29
Schedule of Findings and Responses	31

# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.  
Fredericksburg, IN 47120

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Housing Authority of the City of Angola ("the Authority") which comprise the Statement of Net Position as of December 31, 2013, and the related statements of Revenues, Expenses and Changes in Fund Net Position, and Cash Flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Angola's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Angola as of December 31, 2013, 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.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i through 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### Other Supplementary Information

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

The accompanying Financial Data Schedule and the other supplemental information as listed in the table of contents, such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 28, 2014 on my consideration of the Housing Authority of the City of Angola's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the City of Angola's internal control over financial reporting and compliance.



Certified Public Accountant

Fredericksburg, Indiana  
May 28, 2014

# *Housing Authority of the City of Angola Management's Discussion and Analysis For the Year Ended December 31, 2013*

## *Introduction*

This Management's Discussion and Analysis (MD&A) of the Housing Authority of the City of Angola (Authority) provides an introduction and overview to the financial statements of the Housing Authority of the City of Angola for the fiscal year ended December 31, 2013. The Housing Authority of the City of Angola presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2013, to assist the reader in focusing on significant financial issues.

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

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

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

## *Overview of the Financial Statements*

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

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

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

***Housing Authority of the City of Angola  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013  
(Continued)***

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

**The Statement of Revenues, Expenses, and Changes in Fund Net Position** reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2013 to determine the change in net position for the fiscal year.

**The Statement of Cash Flows** reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2013.

**Financial Highlights**

- The Housing Authority of the City of Angola's total net position decreased from \$4,448,937 to \$4,014,438, a reduction of \$434,499 or 10%. Total assets increased by \$577,227 or 12%.
- Total liabilities increased by 526%, from \$192,290 to \$1,204,016 at December 31, 2013. Current liabilities increased by \$88,700 or 73% while long-term liabilities increased from \$70,085 to \$993,111.
- The unrestricted component of net position is listed as \$1,506,721 at December 31, 2013. This represents an increase of \$949,492, or 63% from the previous year.
- Total revenues decreased from \$877,311 to \$860,187, a decrease of \$17,124 or 2%.
- Total expenses increased by \$102,428, from \$1,192,258 to \$1,294,686 for the current year. This represents an increase of 9%.

**Housing Authority Activities & Highlights**

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2013 and December 31, 2012.

*Housing Authority of the City of Angola  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013  
(Continued)*

*Summary Statement of Net Position*

<u>Category</u>	<u>FYE 2013</u>	<u>FYE 2012</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 1,601,745	\$ 646,279	\$ 955,466	148%
Capital Assets (Net of Depreciation)	3,616,709	3,994,948	(378,239)	-9%
Total Assets	<u>\$ 5,218,454</u>	<u>\$ 4,641,227</u>	<u>\$ 577,227</u>	<u>12%</u>
Current Liabilities	\$ 210,905	\$ 122,205	\$ 88,700	73%
Long Term Liabilities	993,111	70,085	923,026	1317%
Total Liabilities	<u>\$ 1,204,016</u>	<u>\$ 192,290</u>	<u>\$ 1,011,726</u>	<u>526%</u>
Unrestricted Net Investment in Capital Assets, Net of Debt	\$ 397,729	\$ 557,229	\$ (159,500)	170%
Total Net Position	<u>\$ 4,014,438</u>	<u>\$ 4,448,937</u>	<u>\$ (434,499)</u>	<u>-10%</u>

*Current Assets*

Current assets increased from \$646,279 to \$1,601,745, an increase of \$955,466 from December 31, 2012 to December 31, 2013. This increase was primarily attributable to the Authority's cash balance. Although unrestricted cash decreased during the year from \$564,137 to \$225,749, the Authority obtained a new energy performance contract loan which gave them \$1,014,522 at December 31, 2013 which was restricted for modernization and development of the Authority.

*Capital Assets*

Capital assets decreased from \$3,994,948 to \$3,616,709, a decrease of \$378,239 or 9% from December 31, 2012 to December 31, 2013. This decrease was primarily due to depreciation accumulated during the current year.

*Current Liabilities*

The current liabilities balance increased by \$88,700 from the previous year, due primarily to the current portion of long-term debt related to energy savings capital improvements. The Authority obtained a new energy savings loan for these improvements, using a portion of the funds obtained to pay off their previous loan balance. The remainder of the funds received from the loan was placed in an escrow account until payments for related capital improvements become due.

*Long Term Debt*

At December 31, 2013, the Housing Authority had \$1,108,992 in energy saving project debt payable outstanding versus \$103,240 last year. The details for this balance are as follows:

<u>Lender</u>	<u>Rate</u>	<u>Due Date</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
FCN Bank	4.558%	12/31/2023	<u>\$115,881</u>	<u>\$993,111</u>	<u>\$1,108,992</u>

*Housing Authority of the City of Angola  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013  
(Continued)*

**Housing Authority Activities & Highlights – Cont.**

*Net Position*

The Authority's total net position decreased by \$434,499 from the previous year.

The Authority's unrestricted component of net position increased from \$557,229 to \$1,506,721 for the current year, a decrease of 170%. The principal reason for the increase is the energy performance contract. The unrestricted account balance is the amount available for future appropriations. This balance is subject to program specific guidelines.

Investment in net capital assets decreased by \$1,383,991 or 36% during the current fiscal year, primarily due to accumulated depreciation. See the capital assets section for further discussion.

*Summary Statement of Revenues & Expenses and Changes in Net Position  
Years Ended December 31, 2013 and 2012*

<u>Category</u>	<u>FYE 2013</u>	<u>FYE 2012</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenue	\$ 364,176	\$ 408,337	\$ (44,161)	-12%
Operating Grants	395,670	423,877	(28,207)	-7%
Capital Grants	59,400	35,032	24,368	70%
Interest Income	2,382	112	2,270	2027%
Other Revenue	7,143	9,953	(2,810)	-28%
<b>Total Revenue</b>	<b>828,771</b>	<b>877,311</b>	<b>(48,540)</b>	<b>-5%</b>
Administration	278,092	250,253	27,839	12%
Tenant Services	5,263	4,306	957	22%
Utilities	113,630	101,508	12,122	12%
Ordinary Maintenance	278,407	263,533	14,874	6%
Protective Services	19,594	14,858	4,736	32%
General Expense	85,364	115,360	(29,996)	-26%
Interest Expense	45,281	6,416	38,865	606%
Depreciation	437,639	436,024	1,615	0%
<b>Total Expenses</b>	<b>1,263,270</b>	<b>1,192,258</b>	<b>71,012</b>	<b>6%</b>
Excess of Revenue over Expenses	(434,499)	(314,947)	(119,552)	38%
Net Position, Beginning of Year	4,448,937	4,763,884	(314,947)	-7%
Net Position, End of Year	\$ 4,014,438	\$ 4,448,937	\$ (434,499)	-10%

*Housing Authority of the City of Angola  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013  
(Continued)*

*Results of Operations*

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue decreased \$17,124 or 2% during the current fiscal year. Significant changes noted between the current and prior fiscal years include:

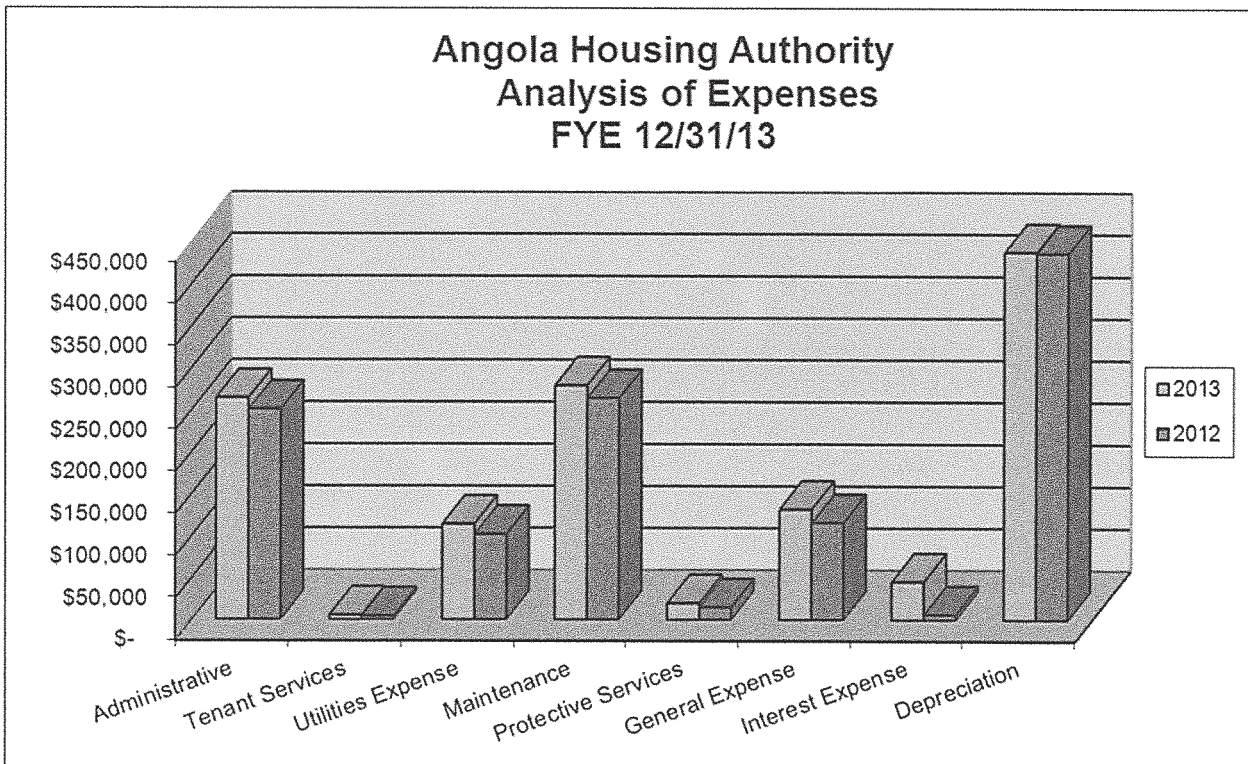
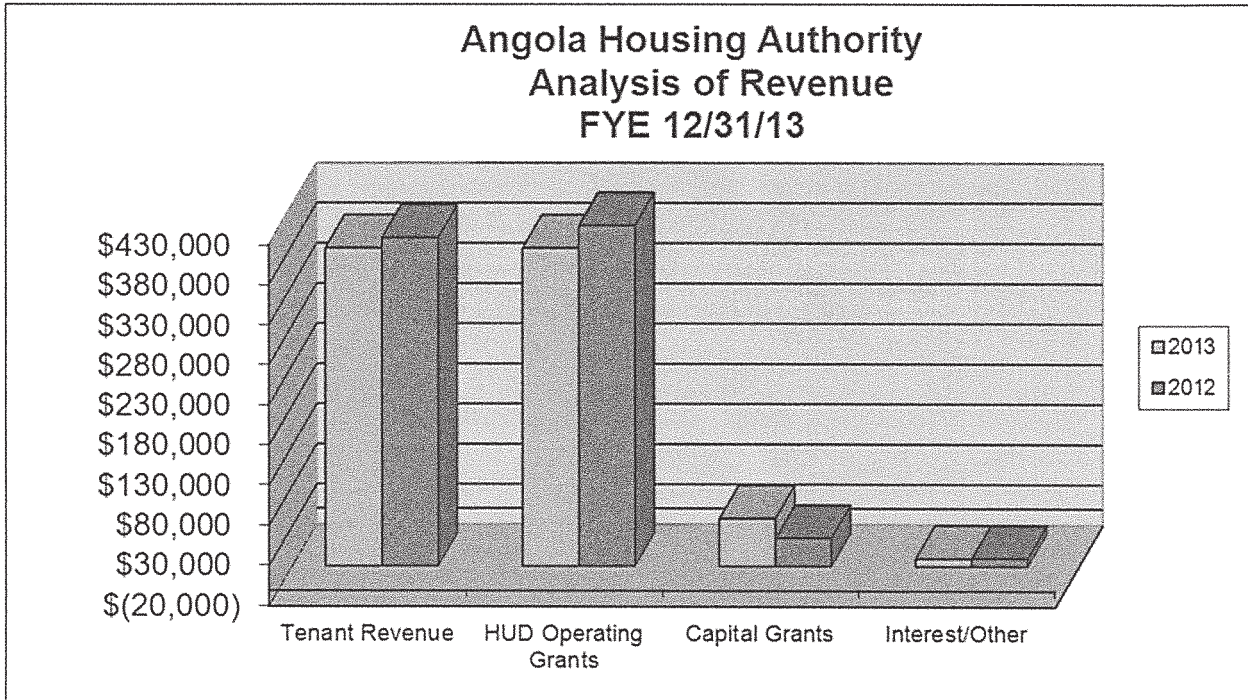
- Tenant Revenue had a decrease of \$44,161 or 11% from 2012 to 2013. This decrease was primarily due to a decrease in units leased from 2,060 in 2012 to 1,935 in 2013 and the right off of bad debts.
- HUD operating grants decreased by \$28,207 or 7% from the previous year. This is primarily due to decreased subsidy funding for the current year.
- Capital grants increased due to increased activity in the Capital Fund Grant Program.
- Interest income increased by \$2,270 due to an increase in interest rates for their investments.

Total expenses increased by \$71,012 or 6% compared to the previous year. Significant changes from the previous year include the following:

- Administration saw an overall increase of \$27,839 or 11%. Notable changes for the year included: audit fees paid during the year increased \$3,108; legal expenses increased by \$6,384; administrative benefits increased by \$4,094; and other administrative expenses increased by \$3,059. Total administrative costs for the current year also included compensated absences of \$14,441.
- Utility expenses increased by \$12,122 or 12% in the current year, due primarily to an increase in consumption for all utilities.
- Ordinary maintenance increased by \$14,874 or 6% for the current year. Maintenance salaries and benefits increased by \$11,712 and \$9,972 respectively; however, all other maintenance expenses decreased.
- The Authority began using a contractor for protective services during the previous fiscal year. Protective service contract expenses for the current year were \$19,594, an increase of \$4,736 over the previous year.
- Interest expense increased from \$6,416 in the previous year to \$45,281 during the current year. This represents an increase of 606% and was due to a higher principal balance on the Authority's long-term debt. The higher principal balance resulted from the new energy savings loan obtained by the Authority during the current year.

*Housing Authority of the City of Angola  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013  
(Continued)*

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



***Housing Authority of the City of Angola  
Management's Discussion and Analysis  
For the Year Ended December 31, 2013  
(Continued)***

*Capital Assets*

As of December 31, 2013, the Housing Authority of the City of Angola's net capital assets balance was \$3,616,709. This investment includes land, buildings, and equipment, net of accumulated depreciation.

<u>Category</u>	<u>FYE 2013</u>	<u>FYE 2012</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 826,661	\$ 826,661	\$ 0	0%
Buildings	9,490,732	9,442,372	48,360	1%
Equipment	193,662	230,624	(36,962)	-16%
Accumulated Depreciation	(6,894,346)	(6,504,709)	(389,637)	6%
 Total Net Capital Assets	 \$ 3,616,709	 \$ 3,994,948	 \$ (378,239)	 -9%

The addition to the building account is a result of an ongoing flooring project which is currently being funded through the Authority's 2011 Capital Fund Grant.

The Authority also purchased new computers for their resident computer lab and upgraded their computer network during the current year. The total balance for equipment decreased, however, due to the Authority disposing of multiple computers and software programs that were no longer in use and were fully depreciated.

**Subsequent Events**

It is anticipated that the Authority will utilize debt proceeds in the upcoming fiscal year for energy improvements. It is anticipated that the Authority will utilize debt proceeds in the upcoming fiscal year for energy improvements.

In 2013, the Authority began site improvements through the purchase and installation of equipment and integration of digital TV signals; whereby, replacing the failing analog system. This project will carry over into 2014. Additional site improvements proposed for 2104 include: parking lot repair, sealing, and paint at both properties, sidewalk repair and leveling at both properties, and roof replacement for multiple buildings at Northlake Manor. The Authority continues to contract security services for weekend monitoring at both properties.

**Request for Information**

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

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

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

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF NET POSITION  
DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 468,820
Restricted cash and cash equivalents	1,040,047
Accounts receivable, net	10,494
Prepaid insurance	58,090
Inventory, net	24,294

**Total Current Assets** 1,601,745

CAPITAL ASSETS

Land and other nondepreciable assets	826,661
Depreciable capital assets, net	2,790,048
<b>Total Capital Assets</b>	<u>3,616,709</u>

**Total Assets** 5,218,454

LIABILITIES

CURRENT LIABILITIES

Accounts payable	22,226
Accrued liabilities	41,652
Payable from restricted cash and cash equivalents:	
Tenant's security deposits	25,525
Current portion of long term debt	115,881
Unearned revenue	5,621

**Total Current Liabilities** 210,905

NONCURRENT LIABILITIES

Long term debt	993,111
<b>Total Noncurrent Liabilities</b>	<u>993,111</u>

**Total Liabilities** 1,204,016

NET POSITION

Net investment in capital assets	3,616,709
Unrestricted	397,729

**TOTAL NET POSITION** \$ 4,014,438

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2013

OPERATING REVENUES

Rental income, net	\$ 364,176
Other revenue	7,143

**TOTAL OPERATING REVENUES** 371,319

OPERATING EXPENSES

Administrative	278,092
Tenant services	5,263
Utilities	113,630
Ordinary maintenance and operation	278,407
Protective services	19,594
General expense	130,645
Depreciation expense	437,639

**TOTAL OPERATING EXPENSES** 1,263,270

OPERATING INCOME (LOSS) (891,951)

NONOPERATING REVENUES (EXPENSES)

Federal operating grants	395,670
Interest income	2,382

**TOTAL NONOPERATING REVENUES** 398,052

CAPITAL CONTRIBUTIONS 59,400

CHANGE IN NET POSITION (434,499)

NET POSITION, BEGINNING OF YEAR 4,448,937

NET POSITION, END OF YEAR \$ 4,014,438

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from residents and other deposits	\$	361,601
Payments to suppliers		(505,710)
Payments to/for employees		(352,003)

Net Cash Flows Provided (Used) by Operating Activities		(483,819)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		2,382
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Net Cash Provided by Investing Activities		2,382
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants received		59,400
Capital assets purchased		(59,400)

Net Cash Provided (Used) from Capital and Related Financing Activities		0
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Payments on long term debt		1,005,752
Federal operating grants received		395,670

Net Cash Flows Provided by Noncapital Financing Activities		1,401,422
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Net Increase (Decrease) in Cash and Cash Equivalents		919,985
--	--	---------

Beginning Cash and Cash Cash - Beginning of year		588,882
---	--	---------

Ending Cash and Cash Cash - End of year	\$	1,508,867
--	----	-----------

Reconciliation of Cash		
Unrestricted	\$	468,820
Restricted		1,040,047
	\$	1,508,867

Continued

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)

RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(891,951)
Adjustments to reconcile net operating income to net cash		
Provided by operating activities:		
Depreciation		437,639
(Increase) Decrease in:		
Accounts receivable		2,575
Prepaid expenses		(39,357)
Inventory		1,301
Increase (Decrease) in:		
Accounts payable		3,026
Accrued liabilities		512
Deferred revenue		2,436
		<hr/>
Net Cash Flows Provided (Used)		
by Operating Activities	\$	<u>(483,819)</u>

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

NOTE A - Summary of Significant Accounting Policies and Organization:

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

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

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

At December 31, 2013, the Housing Authority has 188 units under management.

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

The Authority is also operating Capital Fund Grant Programs.

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

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013  
(Continued)

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

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

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

**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.

**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.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013  
(Continued)

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

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

Prepaid - Prepaid represent payments made to vendors for services that will benefit beyond December 31, 2013.

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

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

<u>Class</u>	<u>Life</u>
Buildings and improvements	15-40 years
Maintenance and office equipment	3-10 years

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013  
(Continued)

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

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

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

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

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

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

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013  
(Continued)

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. 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 time of purchase. At December 31, 2013, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

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

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

(Continued)

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

At December 31, 2013, the carrying amount of the Authority's deposits was \$1,508,867 and the bank balance was \$1,537,764. 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.

Deposits consist of the following:

Checking account:	\$ 1,035,616
Money Market Account, Savings, Sweep, Certificates of Deposit:	<u>473,251</u>
Total	<u>\$ 1,508,867</u>

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2013, consist of the following:

Tenants, Net of allowance \$10,747	\$ 8,247
Interest Receivable	605
Accounts receivable - HUD	<u>1,642</u>
Total	<u>\$ 10,494</u>

NOTE D - Prepaid Expense:

Prepaid expenses at December 31, 2013, consists of the following:

Prepaid insurance and other expenses	<u>\$ 58,090</u>
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NOTE E - Inventory:

Inventory at December 31, 2013, consists of the following:

Materials and supplies, Net of Allowance of \$2,699	<u>\$ 24,294</u>
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Materials inventories are recorded at cost. The FIFO inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013  
(Continued)

NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance <u>12/31/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Ending Balance <u>12/31/13</u>
Capital assets, not being depreciated:					
Land	\$ 826,661	\$ 0	\$( 0)	\$ 0	\$ 826,661
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>( 0)</u>	<u>0</u>
Total Capital Assets, Not being depreciated	<u>826,661</u>	<u>0</u>	<u>( 0)</u>	<u>( 0)</u>	<u>826,661</u>
Capital Assets, being depreciated:					
Buildings & Improvements	9,442,372	48,360	( 0)	0	9,490,732
Furniture, Equipment & Machinery	<u>230,624</u>	<u>11,040</u>	<u>( 48,002)</u>	<u>0</u>	<u>193,662</u>
Total Capital Assets, being depreciated	<u>9,672,996</u>	<u>59,400</u>	<u>( 48,002)</u>	<u>0</u>	<u>9,684,394</u>
Less Accumulated Depreciation for:					
Buildings & Improvements	( 6,300,705)	(425,186)	0	0	(6,725,891)
Furniture, Equipment and Machinery	<u>( 204,004)</u>	<u>( 12,453)</u>	<u>48,002</u>	<u>0</u>	<u>( 168,455)</u>
Total Accumulated Depreciation:	<u>( 6,504,709)</u>	<u>(437,639)</u>	<u>48,002</u>	<u>0</u>	<u>(6,894,346)</u>
Total Capital Assets, being depreciated, net	<u>3,168,287</u>	<u>(378,239)</u>	<u>( 0)</u>	<u>0</u>	<u>2,790,048</u>
Capital Assets, Net	<u>\$ 3,994,948</u>	<u>\$ (378,239)</u>	<u>\$ ( 0)</u>	<u>\$ ( 0)</u>	<u>\$ 3,616,709</u>

Depreciation expenses of \$437,639 was incurred during the year.

Note G - Accounts Payable:

Accounts payable at December 31, 2013, consist of the following:

Vendor Accounts Payable

\$ 22,226

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013  
(Continued)

Note H - Accrued Liabilities:

Accrued liabilities at December 31, 2013, consist of the following:

Accrued wages payable	\$ 16,801
Payment in lieu of taxes	<u>24,851</u>
 Total	 <u>\$ 41,652</u>

NOTE I - Unearned Revenue:

Unearned revenue at December 31, 2013, consist of the following:

Prepaid rent	<u>\$ 5,261</u>
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Note J - Notes Payable:

Notes Payable at December 31, 2013, consist of the following:

The mortgage is payable to the FCN Bank, National Associates and bears interest at 4.558% per annum over 10 years. Monthly payments are from \$9,601 to \$13,543 per month. The mortgage note is secured by the Project. The final payment is due December 2023. The balance due is \$1,108,992.

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
2014	\$ 73,383	\$ 42,497	\$ 115,881
2015	80,465	39,472	119,936
2016	87,976	36,159	124,134
2017	95,938	32,541	128,479
2018	104,376	28,600	132,976
2019-2023	<u>666,854</u>	<u>71,180</u>	<u>738,035</u>
Total	<u>\$ 1,108,992</u>	<u>\$ 250,448</u>	<u>\$ 1,359,440</u>

The remaining balance in a previous contract with the same bank is \$42,498 and is currently due.

	12/31/12	Additions	Deletions	12/31/13
Note Payable	<u>\$ 70,085</u>	<u>\$1,081,405</u>	<u>\$ 0</u>	<u>\$ 1,151,490</u>

Note K - Federal Operating Grants:

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contract. These subsidy contributions for the operating year ended December 31, 2013 were as follows:

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

(Continued)

Note K - Federal Operating Grants: (Continued)

Low Rent Public Housing	\$ 349,240
Capital Fund	<u>46,430</u>
Total	<u>\$ 395,670</u>

Note L - 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, 2013 were \$59,400

Note M - Commitments and Contingencies:

Litigation: At December 31, 2013, the Authority was not involved in any threatened litigation.

Examination: The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, law and regulations governing other grants given to the Authority in the current and prior years. There were no examinations during the year ended December 31, 2013.

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, 2013. 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. The Authority had outstanding construction commitments pertaining to its Capital Fund Program in the amount of \$1,016,246. These costs will be paid by grants committed to the Authority by HUD.

Note N - 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.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

(Continued)

**Note O - Economic Dependency:**

The Authority receives approximately 55% 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 P - Conduit Type Debt:**

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

**Note Q - Pension Plans:**

The Authority provides a defined contribution pension plan for eligible full-time employees. The Authority contributes an amount equal to 7.75% of each employee's annual compensation to the plan and accounts for pension costs as incurred. Pension contributions totaled \$15,609 for the year ended December 31, 2013. Covered payroll for the year was \$212,816. Employee contributions to the plan were \$6,385 and employer contributions were \$18,125. Additional information regarding the pension plan may be obtained by contacting the State of Indiana PERF (Public Employees Retirement Fund), 143 West Market St., Indianapolis, IN 46204.

**NOTE R - Financial Data Schedule:**

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense from operating activities, includes investment revenue in operating activities and reflects tenant revenue and bad debt expense separately, which differs from the presentation of the basic financial statements. As the Authority has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* in the current year, presentation and verbiage differences exist between the basic financial statements and the financial data schedule.

SUPPLEMENTAL FINANCIAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION  
DECEMBER 31, 2013

	A C C		Total
	C-543	C-543	
	Low	Capital	
	Income	Fund	
	Public	Fund	
	Housing	Programs	Total
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	\$ 468,820	\$ 0	\$ 468,820
Restricted cash and cash equivalents	1,040,047	0	1,040,047
Accounts receivable, net	10,494	0	10,494
Prepaid insurance	58,090	0	58,090
Inventory, net	24,294	0	24,294
<b>Total Current Assets</b>	<b>1,601,745</b>	<b>0</b>	<b>1,601,745</b>
 <b><u>CAPITAL ASSETS</u></b>			
Land and other nondepreciable assets	826,661	0	826,661
Depreciable capital assets, net	2,790,048	0	2,790,048
<b>Total Capital Assets</b>	<b>3,616,709</b>	<b>0</b>	<b>3,616,709</b>
 <b>Total Assets</b>	 <b>5,218,454</b>	 <b>0</b>	 <b>5,218,454</b>
 <b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable	22,226	0	22,226
Accrued liabilities	41,652	0	41,652
Payable from restricted cash and cash equivalents:			
Tenant's security deposits	25,525	0	25,525
Current portion of long term debt	115,881	0	115,881
Unearned revenue	5,621	0	5,621
<b>Total Current Liabilities</b>	<b>210,905</b>	<b>0</b>	<b>210,905</b>
 <b><u>NONCURRENT LIABILITIES</u></b>			
Long term debt	993,111	0	993,111
<b>Total Noncurrent Liabilities</b>	<b>993,111</b>	<b>0</b>	<b>993,111</b>
<b>Total Liabilities</b>	<b>1,204,016</b>	<b>0</b>	<b>1,204,016</b>
 <b><u>NET POSITION</u></b>			
Net investment in capital assets	3,616,709	0	3,616,709
Unrestricted	397,729	0	397,729
<b>TOTAL NET POSITION</b>	<b>\$ 4,014,438</b>	<b>\$ 0</b>	<b>\$ 4,014,438</b>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2013

	C-543 Low Income Public Housing	C-543 Capital Fund Programs	Total
<b><u>OPERATING REVENUES</u></b>			
Rental income, net	\$ 364,176	\$ 0	\$ 364,176
Other revenue	7,143	0	7,143
<b>TOTAL OPERATING REVENUES</b>	<b>371,319</b>	<b>0</b>	<b>371,319</b>
<b><u>OPERATING EXPENSES</u></b>			
Administrative	278,092	0	278,092
Tenant Services	5,263	0	5,263
Utilities	113,630	0	113,630
Ordinary maintenance and operation	278,407	0	278,407
Protective services	19,594	0	19,594
General expense	130,645	0	130,645
Depreciation expense	437,639	0	437,639
<b>TOTAL OPERATING EXPENSES</b>	<b>1,263,270</b>	<b>0</b>	<b>1,263,270</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(891,951)</b>	<b>0</b>	<b>(891,951)</b>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Federal operating grants	349,240	46,430	395,670
Interest income	2,382	0	2,382
<b>TOTAL NONOPERATING REVENUES</b>	<b>351,622</b>	<b>46,430</b>	<b>398,052</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>0</b>	<b>59,400</b>	<b>59,400</b>
<b>CHANGE IN NET POSITION</b>	<b>(540,329)</b>	<b>105,830</b>	<b>(434,499)</b>
<b>NET POSITION, BEGINNING OF YEAR, as originally stated</b>	<b>4,448,937</b>	<b>0</b>	<b>4,448,937</b>
Operating transfers	105,830	(105,830)	0
<b>NET POSITION, BEGINNING OF YEAR, year as restated</b>	<b>4,554,767</b>	<b>(105,830)</b>	<b>4,448,937</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 4,014,438</b>	<b>\$ 0</b>	<b>\$ 4,014,438</b>

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$468,820	\$468,820	\$0	\$468,820
112 Cash - Restricted - Modernization and Development	\$1,014,522	\$1,014,522	\$0	\$1,014,522
113 Cash - Other Restricted	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$25,525	\$25,525	\$0	\$25,525
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0
100 Total Cash	\$1,508,867	\$1,508,867	\$0	\$1,508,867
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$1,642	\$1,642	\$0	\$1,642
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$18,994	\$18,994	\$0	\$18,994
126.1 Allowance for Doubtful Accounts - Tenants	-\$10,747	-\$10,747	\$0	-\$10,747
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$605	\$605	\$0	\$605
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$10,494	\$10,494	\$0	\$10,494
131 Investments - Unrestricted	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$58,090	\$58,090	\$0	\$58,090
143 Inventories	\$26,993	\$26,993	\$0	\$26,993

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
143.1 Allowance for Obsolete Inventories	-\$2,699	-\$2,699	\$0	-\$2,699
144 Inter Program Due From	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0
150 Total Current Assets	\$1,601,745	\$1,601,745	\$0	\$1,601,745
161 Land	\$826,661	\$826,661	\$0	\$826,661
162 Buildings	\$9,490,732	\$9,490,732	\$0	\$9,490,732
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$193,662	\$193,662	\$0	\$193,662
165 Leasehold Improvements	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$6,894,346	-\$6,894,346	\$0	-\$6,894,346
167 Construction in Progress	\$0	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,616,709	\$3,616,709	\$0	\$3,616,709
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$3,616,709	\$3,616,709	\$0	\$3,616,709
190 Total Assets	\$5,218,454	\$5,218,454	\$0	\$5,218,454
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	\$5,218,454	\$5,218,454	\$0	\$5,218,454
311 Bank Overdraft	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$22,226	\$22,226	\$0	\$22,226
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$16,801	\$16,801	\$0	\$16,801
322 Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$24,851	\$24,851	\$0	\$24,851
341 Tenant Security Deposits	\$25,525	\$25,525	\$0	\$25,525
342 Unearned Revenue	\$5,621	\$5,621	\$0	\$5,621
343 Current Portion of Long-term Debt - Capital	\$115,881	\$115,881	\$0	\$115,881
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$210,905	\$210,905	\$0	\$210,905
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$993,111	\$993,111	\$0	\$993,111
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$993,111	\$993,111	\$0	\$993,111
300 Total Liabilities	\$1,204,016	\$1,204,016	\$0	\$1,204,016
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$3,616,709	\$3,616,709		\$3,616,709
511.4 Restricted Net Position	\$397,729	\$397,729		\$397,729
512.4 Unrestricted Net Position	\$4,014,438	\$4,014,438	\$0	\$4,014,438
513 Total Equity - Net Assets / Position	\$5,218,454	\$5,218,454	\$0	\$5,218,454
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets /				

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$322,931	\$322,931	\$0	\$322,931
70400 Tenant Revenue - Other	\$41,245	\$41,245	\$0	\$41,245
70500 Total Tenant Revenue	\$364,176	\$364,176	\$0	\$364,176
70600 HUD PHA Operating Grants	\$395,670	\$395,670	\$0	\$395,670
70610 Capital Grants	\$59,400	\$59,400	\$0	\$59,400
70710 Management Fee	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0
70740 Front Line Service Fee	\$0	\$0	\$0	\$0
70750 Other Fees	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$2,382	\$2,382	\$0	\$2,382
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0
71500 Other Revenue	\$7,143	\$7,143	\$0	\$7,143
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0
70000 Total Revenue	\$828,771	\$828,771	\$0	\$828,771
91100 Administrative Salaries	\$135,296	\$135,296	\$0	\$135,296

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
91200 Auditing Fees	\$6,308	\$6,308	\$0	\$6,308
91300 Management Fee	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$6,839	\$6,839	\$0	\$6,839
91500 Employee Benefit contributions - Administrative	\$48,687	\$48,687	\$0	\$48,687
91600 Office Expenses	\$30,490	\$30,490	\$0	\$30,490
91700 Legal Expense	\$8,984	\$8,984	\$0	\$8,984
91800 Travel	\$3,745	\$3,745	\$0	\$3,745
91810 Allocated Overhead	\$0	\$0	\$0	\$0
91900 Other	\$23,302	\$23,302	\$0	\$23,302
91000 Total Operating - Administrative	\$263,651	\$263,651	\$0	\$263,651
92000 Asset Management Fee	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$5,263	\$5,263	\$0	\$5,263
92500 Total Tenant Services	\$5,263	\$5,263	\$0	\$5,263
93100 Water	\$9,950	\$9,950	\$0	\$9,950
93200 Electricity	\$60,741	\$60,741	\$0	\$60,741
93300 Gas	\$23,190	\$23,190	\$0	\$23,190
93400 Fuel	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0
93600 Sewer	\$19,749	\$19,749	\$0	\$19,749
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
93800 Other Utilities Expense	\$0	\$0	\$0	\$0
93000 Total Utilities	\$113,630	\$113,630	\$0	\$113,630
94100 Ordinary Maintenance and Operations - Labor	\$112,271	\$112,271	\$0	\$112,271
94200 Ordinary Maintenance and Operations - Materials and	\$43,132	\$43,132	\$0	\$43,132
94300 Ordinary Maintenance and Operations Contracts	\$67,255	\$67,255	\$0	\$67,255
94500 Employee Benefit Contributions - Ordinary Maintenance	\$55,749	\$55,749	\$0	\$55,749
94000 Total Maintenance	\$278,407	\$278,407	\$0	\$278,407
95100 Protective Services - Labor	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$19,594	\$19,594	\$0	\$19,594
95300 Protective Services - Other	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$19,594	\$19,594	\$0	\$19,594
96110 Property Insurance	\$25,843	\$25,843	\$0	\$25,843
96120 Liability Insurance	\$6,767	\$6,767	\$0	\$6,767
96130 Workmen's Compensation	\$5,794	\$5,794	\$0	\$5,794
96140 All Other Insurance	\$9,229	\$9,229	\$0	\$9,229
96100 Total Insurance Premiums	\$47,633	\$47,633	\$0	\$47,633
96200 Other General Expenses	\$12,588	\$12,588	\$0	\$12,588
96210 Compensated Absences	\$14,441	\$14,441	\$0	\$14,441
96300 Payments in Lieu of Taxes	\$25,143	\$25,143	\$0	\$25,143
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
96600 Bad debt - Other	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$52,172	\$52,172	\$0	\$52,172
96710 Interest of Mortgage (or Bonds) Payable	\$45,281	\$45,281	\$0	\$45,281
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$45,281	\$45,281	\$0	\$45,281
96900 Total Operating Expenses	\$825,631	\$825,631	\$0	\$825,631
97000 Excess of Operating Revenue over Operating Expenses	\$3,140	\$3,140	\$0	\$3,140
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$437,639	\$437,639	\$0	\$437,639
97500 Fraud Losses	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000 Total Expenses	\$1,263,270	\$1,263,270	\$0	\$1,263,270
10010 Operating Transfer In	\$14,709	\$14,709	-\$14,709	\$0
10020 Operating transfer Out	-\$14,709	-\$14,709	\$14,709	\$0

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$434,499	-\$434,499	\$0	-\$434,499
11020 Required Annual Debt Principal Payments	\$68,235	\$68,235		\$68,235
11030 Beginning Equity	\$4,448,937	\$4,448,937	\$0	\$4,448,937
11040 Prior Period Adjustments, Equity Transfers and Correction	\$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				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2013

	Project Total	Subtotal	ELIM	Total
11190 Unit Months Available	1980	1980	0	1980
11210 Number of Unit Months Leased	1935	1935	0	1935
11270 Excess Cash	\$222,514	\$222,514		\$222,514
11610 Land Purchases	\$0	\$0		\$0
11620 Building Purchases	\$48,360	\$48,360		\$48,360
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$11,040	\$11,040		\$11,040
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

# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.  
Fredericksburg, IN 47120

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

## Independent Auditor's Report

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Angola, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Angola's basic financial statements and have issued my report thereon dated May 28, 2014.

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Angola's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose Of This Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Goldie Roberts".

Certified Public Accountant

Fredericksburg, Indiana  
May 28, 2014

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

DECEMBER 31, 2013

SCHEDULE OF FINDINGS AND RESPONSES

STATUS OF PRIOR AUDIT FINDINGS

There were no prior year findings.

CURRENT YEAR FINDINGS

There are no current year findings.