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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, 2014 to December 31, 2014. 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, 2014 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 cursive script 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, 2014

*Goldie Roberts*

Certified Public Accountant

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

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Decatur, GA 30033  
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HOUSING AUTHORITY OF THE CITY OF ANGOLA

Angola, Indiana  
DECEMBER 31, 2014

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# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

## INDEPENDENT AUDITOR'S REPORT

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

### **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, 2014, 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, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

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

### Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The accompanying Financial Data Schedule, Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States Local Governments and Non-Profit Organizations*, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

In regard to, the Financial Data Schedule, Schedule of Expenditures of Federal Awards, 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 June 5, 2015 on my consideration of the Housing Authority of the City of Angola's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the City of Angola's internal control over financial reporting and compliance.

*Goldie Roberts*

Certified Public Accountant

Fredericksburg, Indiana  
June 5, 2015

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

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*

*Introduction*

This Management's Discussion and Analysis (MD&A) of the Angola Housing Authority (Authority) provides an introduction and overview to the financial statements of the Angola Housing Authority for the fiscal year ended December 31, 2014. The Angola Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2014, to assist the reader in focusing on significant financial issues.

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

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

- The Low Rent Program consists of 183 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.
- The Capital Fund Program is 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  
Angola, Indiana*

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(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, 2014 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, 2014.

***Financial Highlights***

- The Angola Housing Authority's total net position decreased from \$4,014,438 to \$3,597,475, a reduction of \$416,963 or 10%. Total assets decreased by \$484,249 or 9%.
- Total liabilities decreased by 6%, from \$1,204,016 to \$1,136,730 at December 31, 2014. Current liabilities decreased by \$34,232 or 16% while non-current liabilities decreased from \$993,111 to \$960,057.
- The unrestricted component of net position is \$465,595 at December 31, 2014. This represents an increase of \$67,866 or 17% from the previous year.
- Total revenues increased from \$828,771 to \$967,713, an increase of \$138,942 or 17%.

***Housing Authority Activities & Highlights***

- Total expenses increased by \$121,406, from \$1,263,270 to \$1,384,676 for the current year. This represents an increase of 10%.

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

*Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Continued)*

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, 2014 and December 31, 2013.

*Summary Statement of Net Position  
As of December 31, 2014 and 2013*

| <u>Category</u>                      | <u>FYE 2014</u>     | <u>FYE 2013</u>     | <u>Change \$</u>    | <u>Change %</u> |
|--------------------------------------|---------------------|---------------------|---------------------|-----------------|
| Current Assets                       | \$ 566,717          | \$ 1,601,745        | \$ (1,035,028)      | -65%            |
| Capital Assets (Net of Depreciation) | 4,167,488           | 3,616,709           | 550,779             | 15%             |
| Total Assets                         | <u>\$ 4,734,205</u> | <u>\$ 5,218,454</u> | <u>\$ (484,249)</u> | <u>-9%</u>      |
| Current Liabilities                  | \$ 176,673          | \$ 210,905          | \$ (34,232)         | -16%            |
| Long Term Liabilities                | 960,057             | 993,111             | (33,054)            | -3%             |
| Total Liabilities                    | <u>\$ 1,136,730</u> | <u>\$ 1,204,016</u> | <u>\$ (67,286)</u>  | <u>-6%</u>      |
| Unrestricted                         | \$ 465,595          | \$ 397,729          | \$ 67,866           | -17%            |
| Net Investment in Capital Assets,    | 3,131,880           | 3,616,709           | (484,829)           | -13%            |
| Total Net Position                   | <u>\$ 3,597,475</u> | <u>\$ 4,014,438</u> | <u>\$ (416,963)</u> | <u>-10%</u>     |

*Current Assets*

Current assets decreased from \$1,601,745 to \$566,717, a reduction of \$1,035,028 from December 31, 2013 to December 31, 2014. This variation was primarily attributable to the Authority's cash balance. At December 31, 2013 the Authority had \$1,014,522 in cash obtained through an energy performance contract and restricted for the modernization and development of the Authority. By December 31, 2014 all proceeds from the energy performance contract had been utilized for its intended purposes, and the escrow account which held the funds was closed.

*Capital Assets*

Capital assets increased from \$3,616,709 to \$4,167,488, a change of \$550,779 or 15% from December 31, 2013 to December 31, 2014. This increase was primarily due to capital improvements exceeding the depreciation accumulated during the current year. See the capital assets section for further discussion.

*Current Liabilities*

The current liabilities balance decreased by \$34,232 from the previous year, due primarily to the current portion of long-term debt related to the Authority's energy performance contract (EPC). The Authority obtained an energy savings loan during the previous fiscal year and utilized the funds in the current year to finance energy saving capital improvements throughout the property.

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

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(Continued)*

*Housing Authority Activities & Highlights – Cont.*

*Non-Current Debt*

At December 31, 2014, the Housing Authority had \$1,035,608 in energy savings project debt outstanding versus \$1,108,992 the previous year. This decrease is primarily due to the reduction in principal of the Authority's EPC note payable.

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 \$1,035,608.

Debt service requirements to maturity are as follows:

|           | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------|---------------------|-------------------|---------------------|
| 2015      | \$ 75,551           | \$ 39,472         | \$ 115,032          |
| 2016      | 87,976              | 36,159            | 124,134             |
| 2017      | 95,938              | 32,541            | 128,479             |
| 2018      | 104,376             | 28,600            | 132,976             |
| 2019      | 113,313             | 24,317            | 137,630             |
| 2020-2023 | <u>558,456</u>      | <u>46,863</u>     | <u>605,319</u>      |
| Total     | <u>\$ 1,035,608</u> | <u>\$ 207,951</u> | <u>\$ 1,243,560</u> |

|                | <u>12/31/13</u>    | <u>Additions</u> | <u>Deletions</u>  | <u>12/31/14</u>     |
|----------------|--------------------|------------------|-------------------|---------------------|
| Change in Debt | <u>\$1,151,490</u> | <u>\$ 0</u>      | <u>\$ 115,882</u> | <u>\$ 1,035,608</u> |

*Net Position*

The Authority's total net position decreased by \$416,963 or 10% from the previous year.

The Authority's unrestricted component of net position increased from \$397,729 to \$465,585 for the current year, an increase of \$67,866 or 17%. This balance is subject to program specific guidelines.

Net investment in capital assets decreased by \$484,829 or 13% during the current fiscal year, due to the debt related to the new energy performance contract being included in the balance. See the capital assets section for further discussion.

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

*Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Continued)*

*Summary Statement of Revenues & Expenses and Changes in Fund Net Position  
Years Ended December 31, 2014 and 2013*

| <u>Category</u>                 | <u>FYE 2014</u>     | <u>FYE 2013</u>     | <u>Change \$</u>    | <u>Change %</u> |
|---------------------------------|---------------------|---------------------|---------------------|-----------------|
| Tenant Revenue                  | \$ 428,180          | \$ 364,176          | \$ 64,004           | 18%             |
| Operating Grants                | 450,633             | 395,670             | 54,963              | 14%             |
| Capital Grants                  | 66,619              | 59,400              | 7,219               | 12%             |
| Interest Income                 | 2,714               | 2,382               | 332                 | 14%             |
| Other Revenue                   | 19,567              | 7,143               | 12,424              | 174%            |
| <b>Total Revenue</b>            | <b>967,713</b>      | <b>828,771</b>      | <b>138,942</b>      | <b>17%</b>      |
| Administration                  | 271,190             | 278,092             | (6,902)             | -2%             |
| Tenant Services                 | 4,087               | 5,263               | (1,176)             | -22%            |
| Utilities                       | 100,777             | 113,630             | (12,853)            | -11%            |
| Ordinary Maintenance            | 318,427             | 278,407             | 40,020              | -14%            |
| Protective Services             | 20,773              | 19,594              | 1,179               | -6%             |
| General Expense                 | 94,839              | 85,364              | 9,475               | 11%             |
| Interest Expense                | 42,497              | 45,281              | (2,784)             | -6%             |
| Depreciation                    | 532,086             | 437,639             | 94,447              | 22%             |
| <b>Total Expenses</b>           | <b>1,384,676</b>    | <b>1,263,270</b>    | <b>121,406</b>      | <b>10%</b>      |
| Excess of Revenue over Expenses | (416,963)           | (434,499)           | 17,536              | -4%             |
| Net Position, Beginning of Year | 4,014,438           | 4,448,937           | (434,499)           | -10%            |
| Net Position, End of Year       | <b>\$ 3,597,475</b> | <b>\$ 4,014,438</b> | <b>\$ (416,963)</b> | <b>-10%</b>     |

*Results of Operations*

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue increased \$138,942 or 17% during the current fiscal year. Significant changes noted between the current and prior fiscal years include:

- Tenant Revenue had an increase of \$64,004 or 18% from 2013 to 2014. This change was primarily due to an increase in units months leased, from 1,935 in 2013 to 2,008 in 2014, as well as a decrease in the amount written off for tenant bad debts.
- HUD operating grants increased by \$54,963 or 14% from the previous year. This is primarily due to an increase in subsidy funding for the current year.

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

*Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Continued)*

- Capital grants increased due to increased activity in the Capital Fund Grant Program.
- Other revenue increased by \$12,424 primarily due to \$2,460 in insurance proceeds received for a damaged vehicle, a \$2,482 increase in laundry/vending income and a \$6,733 increase in miscellaneous income during the current year.

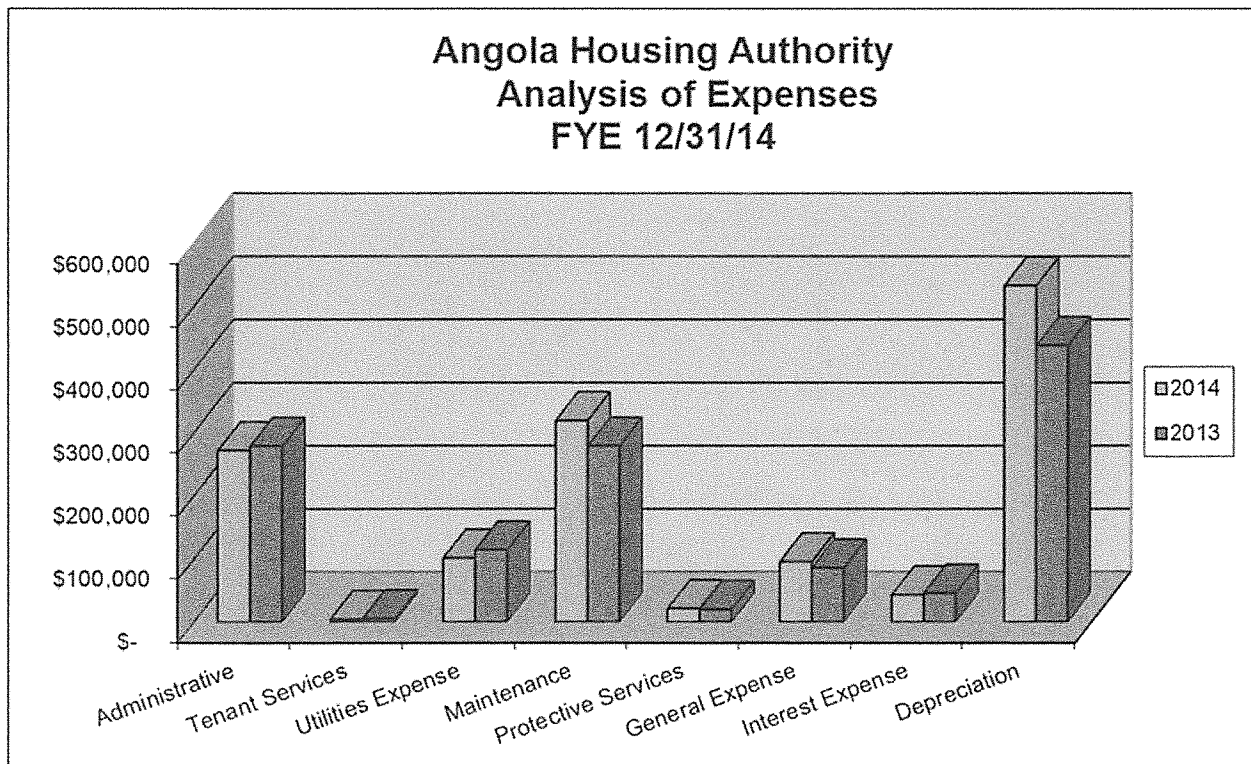
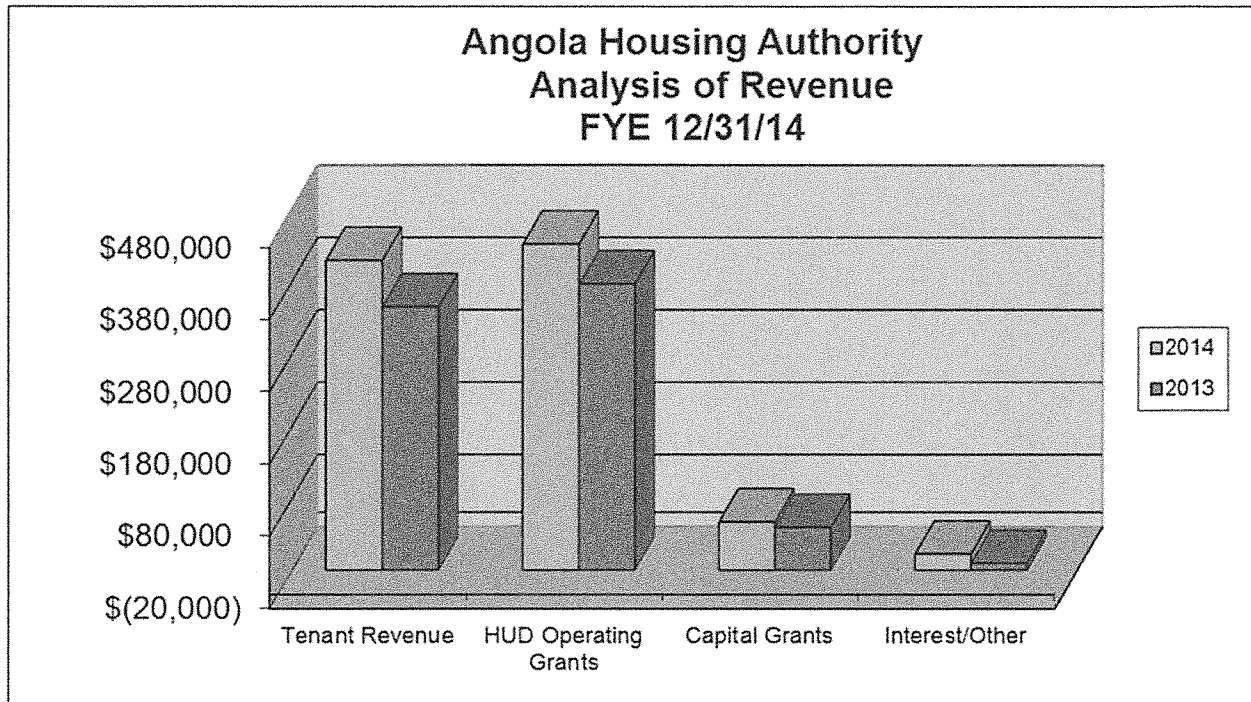
Total expenses increased by \$121,406 or 10% compared to the previous year. Significant changes from the previous year include the following:

- Total utility expenses actually decreased 11% for the year, from \$113,630 in 2013 to \$100,777 in 2014. Water/sewer, electricity and gas were reduced by \$9,315, \$2,164 and \$1,373, respectively.
- Ordinary maintenance expenses incurred an overall increase of \$40,020 or 14% for the current year due primarily to an increase in maintenance contracts. Snow removal contracts, landscaping contracts and extermination contracts increased by \$3,087, \$5,045 and \$22,605, respectively.
- General expenses increased by \$9,475 or 11% due primarily to a change in PILOT expense, which increased from \$25,143 in 2013 to \$32,841 for the current year. The increase in PILOT was due to the increase in net dwelling rent combined with the reduction in utility expenses.
- Depreciation expense increased by \$94,447 due to the completion and placing in service of capital assets related to the Authority's EPC contract during the current year.

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

*Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
(Continued)*

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



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

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*(Continued)*

*Capital Assets*

As of December 31, 2014, the Angola Housing Authority's net capital assets balance was \$4,167,488. This investment includes land, buildings, and equipment, net of accumulated depreciation. The total amount differs from the equity account, net investment in capital assets, due to debt proceeds related to energy improvement items.

| <u>Category</u>          | <u>FYE 2014</u>     | <u>FYE 2013</u>     | <u>Change \$</u>  | <u>Change %</u> |
|--------------------------|---------------------|---------------------|-------------------|-----------------|
| Land                     | \$ 826,661          | \$ 826,661          | \$ 0              | 0%              |
| Buildings                | 10,515,343          | 9,490,732           | 1,024,611         | 11%             |
| Equipment                | 175,624             | 193,662             | (18,038)          | -9%             |
| Accumulated Depreciation | (7,350,140)         | (6,894,346)         | (455,794)         | 7%              |
| Total Net Capital Assets | <u>\$ 4,167,488</u> | <u>\$ 3,616,709</u> | <u>\$ 550,779</u> | <u>15%</u>      |

The addition to the building account is a result of multiple capital improvement projects completed throughout the year. The Authority used the proceeds from the energy performance loan obtained in the previous fiscal year to add multiple energy-saving upgrades related to lighting, heating, and water conservation. The Authority also used the 2011 and 2012 Capital Fund Grants to replace roofing, upgrade emergency lighting, antennae and sidewalks, and to continue an ongoing flooring replacement project.

The Authority also upgraded their IT system during the current year and disposed of a vehicle which was damaged, accounting for the overall reduction of \$18,038 for equipment.

*Subsequent Events*

Due to the 2014 Congressional Appropriations, the Authority's operating subsidy provided by HUD for the Low Rent Housing Program was prorated to 89% for the calendar year 2014. As of the time of this analysis, HUD has not finalized the funding levels for the 2015 calendar year. It is projected that operating subsidy for the Low Rent Housing Program will be 85%.

*Request for Information*

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

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

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

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF NET POSITION  
DECEMBER 31, 2014

ASSETS

CURRENT ASSETS

|                                      |                       |
|--------------------------------------|-----------------------|
| Cash and cash equivalents            | \$ 443,521            |
| Restricted cash and cash equivalents | 28,425                |
| Accounts receivable, net             | 10,832                |
| Prepaid insurance                    | 54,492                |
| Inventory, net                       | <u>29,447</u>         |
| <b>Total Current Assets</b>          | <b><u>566,717</u></b> |

CAPITAL ASSETS

|                                      |                         |
|--------------------------------------|-------------------------|
| Land and other nondepreciable assets | 826,661                 |
| Depreciable capital assets, net      | <u>3,340,827</u>        |
| <b>Total Capital Assets</b>          | <b><u>4,167,488</u></b> |

**Total Assets** **4,734,205**

LIABILITIES

CURRENT LIABILITIES

|   |                |
|---|----------------|
| Accounts payable                                      | 9,340          |
| Accrued liabilities                                   | 54,366         |
| Payable from restricted cash<br>and cash equivalents: |                |
| Tenant's security deposits                            | 28,425         |
| Current portion of long term debt                     | 75,551         |
| Unearned revenue                                      | <u>8,991</u>   |
| <b>Total Current Liabilities</b>                      | <b>176,673</b> |

NONCURRENT LIABILITIES

|                                     |                       |
|-------------------------------------|-----------------------|
| Long term debt                      | <u>960,057</u>        |
| <b>Total Noncurrent Liabilities</b> | <b><u>960,057</u></b> |

**Total Liabilities** **1,136,730**

NET POSITION

|                                  |                |
|----------------------------------|----------------|
| Net investment in capital assets | 3,131,880      |
| Unrestricted                     | <u>465,595</u> |

**TOTAL NET POSITION** **\$ 3,597,475**

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, 2014

OPERATING REVENUES

|                                 |                       |
|---------------------------------|-----------------------|
| Rental income, net              | \$ 437,707            |
| Other revenue                   | <u>19,567</u>         |
| <b>TOTAL OPERATING REVENUES</b> | <b><u>457,274</u></b> |

OPERATING EXPENSES

|                                       |                         |
|---------------------------------------|-------------------------|
| Administrative                        | 255,563                 |
| Tenant services                       | 4,087                   |
| Utilities                             | 100,777                 |
| Ordinary maintenance<br>and operation | 318,427                 |
| Protective services                   | 20,773                  |
| General expense                       | 162,490                 |
| Depreciation expense                  | <u>532,086</u>          |
| <b>TOTAL OPERATING EXPENSES</b>       | <b><u>1,394,203</u></b> |

OPERATING INCOME (LOSS) (936,929)

NONOPERATING REVENUES (EXPENSES)

|                                    |                       |
|------------------------------------|-----------------------|
| Federal operating grants           | 450,633               |
| Interest income                    | <u>2,714</u>          |
| <b>TOTAL NONOPERATING REVENUES</b> | <b><u>453,347</u></b> |

CAPITAL CONTRIBUTIONS 66,619

CHANGE IN NET POSITION **(416,963)**

NET POSITION, BEGINNING OF YEAR 4,014,438

NET POSITION, END OF YEAR **\$ 3,597,475**

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, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

|   |                      |
|---|----------------------|
| Receipts from residents and other deposits                    | \$ 438,045           |
| Payments to suppliers   | (499,148)            |
| Payments to/for employees                                     | <u>(358,426)</u>     |
| <br>Net Cash Flows Provided (Used)<br>by Operating Activities | <br><u>(400,638)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

|   |              |
|---|--------------|
| Interest income                               | <u>2,714</u> |
| <br>Net Cash Provided by Investing Activities | <br>2,714    |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

|   |                        |
|---|------------------------|
| Capital grants received   | 66,619                 |
| Capital assets purchased  | <u>(1,082,865)</u>     |
| <br>Net Cash Provided (Used) from Capital and Related<br>Financing Activities | <br><u>(1,016,246)</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

|   |                    |
|---|--------------------|
| Payments on long term debt  | (73,384)           |
| Federal operating grants received                                 | <u>450,633</u>     |
| <br>Net Cash Flows Provided by Noncapital<br>Financing Activities | <br><u>377,249</u> |

Net Increase (Decrease) in Cash and Cash Equivalents (1,036,921)

Beginning Cash and Cash  
Cash - Beginning of year 1,508,867

Ending Cash and Cash  
Cash - End of year \$ 471,946

Reconciliation of Cash

|              |                          |
|--------------|--------------------------|
| Unrestricted | \$ 443,521               |
| Restricted   | <u>28,425</u>            |
|              | \$ <u><u>471,946</u></u> |

Continued

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)

RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES

|  |    |                         |
|--|----|-------------------------|
| Operating income (loss)  | \$ | (936,929)               |
| Adjustments to reconcile net operating income to net cash<br>Provided by operating activities: |    |                         |
| Depreciation   |    | 532,086                 |
| (Increase) Decrease in:  |    |                         |
| Accounts receivable  |    | (338)                   |
| Prepaid expenses   |    | 3,598                   |
| Inventory  |    | (5,153)                 |
| Increase (Decrease) in:  |    |                         |
| Accounts payable   |    | (9,986)                 |
| Accrued liabilities  |    | 12,714                  |
| Unearned revenue   |    | 3,370                   |
| <b>Net Cash Flows Provided (Used)</b><br><b>by Operating Activities</b>                        | \$ | <u><u>(400,638)</u></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, 2014

NOTE A - Summary of Significant Accounting Policies and Organization:

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

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

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

At December 31, 2014, 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, 2014

(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.

**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, 2014

(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 purchases 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, 2014

(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, 2014

(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, 2014, 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, 2014

(Continued)

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

At December 31, 2014, the carrying amount of the Authority's deposits was \$471,946 and the bank balance was \$494,662. 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                                   | \$ 228,875        |
| Money Market Account, Savings and Cert. of Deposit | <u>243,071</u>    |
| Total  | <u>\$ 471,946</u> |

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2014, consist of the following:

|                                       |                  |
|---------------------------------------|------------------|
| Tenants, Net of allowance \$8,813     | \$ 7,004         |
| Fraud Recovery, Net of allowance \$20 | 13               |
| Interest Receivable                   | 905              |
| Accounts receivable - Miscellaneous   | 2,460            |
| Accounts receivable - HUD             | <u>450</u>       |
| Total                                 | <u>\$ 10,832</u> |

NOTE D - Prepaid Expense:

Prepaid expenses at December 31, 2014, consists of the following:

|                                      |                  |
|--------------------------------------|------------------|
| Prepaid insurance and other expenses | <u>\$ 54,492</u> |
|--------------------------------------|------------------|

NOTE E - Inventory:

Inventory at December 31, 2014, consists of the following:

|   |                  |
|---|------------------|
| Materials and supplies, Net of Allowance of \$3,272 | <u>\$ 29,447</u> |
|---|------------------|

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, 2014  
(Continued)

**NOTE F - Capital Assets:**

A summary in changes in capital assets is as follows:

|   | Beginning<br>Balance<br><u>12/31/13</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Transfers</u> | Ending<br>Balance<br><u>12/31/14</u> |
|---|---|-------------------|------------------|------------------|--------------------------------------|
| Capital assets, not<br>being depreciated:       |   |                   |                  |                  |                                      |
| Land  | \$ 826,661                              | \$ 0              | \$ 0             | \$ 0             | \$ 826,661                           |
| Total Capital Assets,<br>Not being depreciated  | <u>826,661</u>                          | <u>0</u>          | <u>0</u>         | <u>0</u>         | <u>826,661</u>                       |
| Capital Assets, being<br>depreciated:           |   |                   |                  |                  |                                      |
| Buildings &<br>Improvements                     | 9,490,732                               | 1,024,611         | 0                | 0                | 10,515,343                           |
| Furniture, Equipment<br>& Machinery             | <u>193,662</u>                          | <u>0</u>          | <u>( 18,038)</u> | <u>0</u>         | <u>175,624</u>                       |
| Total Capital Assets,<br>being depreciated      | <u>9,684,394</u>                        | <u>1,024,611</u>  | <u>( 18,038)</u> | <u>0</u>         | <u>10,690,967</u>                    |
| Less Accumulated<br>Depreciation for:           |   |                   |                  |                  |                                      |
| Buildings &<br>Improvements                     | ( 6,725,891)                            | (463,168)         | 0                | 0                | (7,189,059)                          |
| Furniture, Equipment<br>and Machinery           | <u>( 168,455)</u>                       | <u>( 68,918)</u>  | <u>76,292</u>    | <u>0</u>         | <u>( 161,081)</u>                    |
| Total Accumulated<br>Depreciation:              | <u>( 6,894,346)</u>                     | <u>(532,086)</u>  | <u>76,292</u>    | <u>0</u>         | <u>(7,350,140)</u>                   |
| Total Capital Assets,<br>being depreciated, net | <u>2,790,048</u>                        | <u>492,525</u>    | <u>58,254</u>    | <u>0</u>         | <u>3,340,827</u>                     |
| Capital Assets, Net                             | <u>\$ 3,616,709</u>                     | <u>\$ 492,525</u> | <u>\$ 58,254</u> | <u>\$ 0</u>      | <u>\$ 4,167,488</u>                  |

Depreciation expenses of \$532,086 was incurred during the year.

**NOTE G - Accounts Payable:**

Accounts payable at December 31, 2014, consist of the following:

|                         |                 |
|-------------------------|-----------------|
| Vendor Accounts Payable | <u>\$ 9,340</u> |
|-------------------------|-----------------|

**NOTE H - Accrued Liabilities:**

Accrued liabilities at December 31, 2014, consist of the following:

|  |                  |
|--|------------------|
| Accrued compensated absences and payable | \$ 12,918        |
| Payment in lieu of taxes                 | 32,508           |
| Accrued liability - other                | <u>8,940</u>     |
| Total                                    | <u>\$ 54,366</u> |

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014  
(Continued)

**NOTE I - Unearned Revenue:**

Unearned revenue at December 31, 2014, consist of the following:

Prepaid rent \$ 8,991

**NOTE J - Notes Payable:**

Notes Payable at December 31, 2014, 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 \$1,035,608.

Debt service requirements to maturity are as follows:

|           | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------|---------------------|-------------------|---------------------|
| 2015      | \$ 75,551           | \$ 39,472         | \$ 115,032          |
| 2016      | 87,976              | 36,159            | 124,134             |
| 2017      | 95,938              | 32,541            | 128,479             |
| 2018      | 104,376             | 28,600            | 132,976             |
| 2019      | 113,313             | 24,317            | 137,630             |
| 2020-2023 | <u>558,456</u>      | <u>46,863</u>     | <u>605,319</u>      |
| Total     | <u>\$ 1,035,608</u> | <u>\$ 207,951</u> | <u>\$ 1,243,560</u> |

|                | <u>12/31/13</u>    | <u>Additions</u> | <u>Deletions</u>  | <u>12/31/14</u>     |
|----------------|--------------------|------------------|-------------------|---------------------|
| Change in Debt | <u>\$1,151,490</u> | <u>\$ 0</u>      | <u>\$ 115,882</u> | <u>\$ 1,035,608</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, 2014 were as follows:

|                         |                   |
|-------------------------|-------------------|
| Low Rent Public Housing | \$ 430,433        |
| Capital Fund            | <u>20,200</u>     |
| Total                   | <u>\$ 450,633</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, 2014 were \$66,619.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(Continued)

**Note M - Commitments and Contingencies:**

**Litigation:** At December 31, 2014, 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, 2014.

**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:** Currently, there are no major construction projects in progress at December 31, 2014.

**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.

**Note O - Economic Dependency:**

The Authority receives approximately 59% 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.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(Continued)

Note Q - Pension Plans:

Plan Description

The Authority contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Authority the power to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

During the year ended September 30, 2014, the Authority's required and actual contributions amounted to \$15,609, which was 7.75% of its current-year covered payroll in the amount of \$237,462 the employees contributed \$15,609.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employee's Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

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.

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.

SUPPLEMENTAL FINANCIAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION  
DECEMBER 31, 2014

|   | A C C               |             |                     |
|---|---------------------|-------------|---------------------|
|   | C-543               | C-543       |                     |
|   | Low                 |             |                     |
|   | Income              | Capital     |                     |
|   | Public              | Fund        |                     |
|   | Housing             | Programs    | Total               |
| <b><u>ASSETS</u></b>                                  |                     |             |                     |
| <b><u>CURRENT ASSETS</u></b>                          |                     |             |                     |
| Cash and cash equivalents                             | \$ 443,521          | \$ 0        | \$ 443,521          |
| Restricted cash and cash equivalents                  | 28,425              | 0           | 28,425              |
| Accounts receivable, net                              | 10,832              | 0           | 10,832              |
| Prepaid insurance                                     | 54,492              | 0           | 54,492              |
| Inventory, net  | 29,447              | 0           | 29,447              |
| <b>Total Current Assets</b>                           | <b>566,717</b>      | <b>0</b>    | <b>566,717</b>      |
| <b><u>CAPITAL ASSETS</u></b>                          |                     |             |                     |
| Land and other nondepreciable assets                  | 826,661             | 0           | 826,661             |
| Depreciable capital assets, net                       | 3,340,827           | 0           | 3,340,827           |
| <b>Total Capital Assets</b>                           | <b>4,167,488</b>    | <b>0</b>    | <b>4,167,488</b>    |
| <b>Total Assets</b>                                   | <b>4,734,205</b>    | <b>0</b>    | <b>4,734,205</b>    |
| <b><u>LIABILITIES</u></b>                             |                     |             |                     |
| <b><u>CURRENT LIABILITIES</u></b>                     |                     |             |                     |
| Accounts payable                                      | 9,340               | 0           | 9,340               |
| Accrued liabilities                                   | 54,366              | 0           | 54,366              |
| Payable from restricted cash<br>and cash equivalents: |                     |             |                     |
| Tenant's security deposits                            | 28,425              | 0           | 28,425              |
| Current portion of long term debt                     | 75,551              | 0           | 75,551              |
| Unearned revenue                                      | 8,991               | 0           | 8,991               |
| <b>Total Current Liabilities</b>                      | <b>176,673</b>      | <b>0</b>    | <b>176,673</b>      |
| <b><u>NONCURRENT LIABILITIES</u></b>                  |                     |             |                     |
| Long term debt  | 960,057             | 0           | 960,057             |
| <b>Total Noncurrent Liabilities</b>                   | <b>960,057</b>      | <b>0</b>    | <b>960,057</b>      |
| <b>Total Liabilities</b>                              | <b>1,136,730</b>    | <b>0</b>    | <b>1,136,730</b>    |
| <b><u>NET POSITION</u></b>                            |                     |             |                     |
| Net investment in capital assets                      | 3,131,880           | 0           | 3,131,880           |
| Unrestricted  | 465,595             | 0           | 465,595             |
| <b>TOTAL NET POSITION</b>                             | <b>\$ 3,597,475</b> | <b>\$ 0</b> | <b>\$ 3,597,475</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, 2014

|  | C-543<br>Low Income<br>Public<br>Housing | C-543<br>Capital<br>Fund<br>Programs | Total               |
|--|--|--------------------------------------|---------------------|
| <b><u>OPERATING REVENUES</u></b>                         |  |                                      |                     |
| Rental income, net                                       | \$ 437,707                               | \$ 0                                 | \$ 437,707          |
| Other revenue  | 19,567                                   | 0                                    | 19,567              |
| <b>TOTAL OPERATING REVENUES</b>                          | <b>457,274</b>                           | <b>0</b>                             | <b>457,274</b>      |
| <b><u>OPERATING EXPENSES</u></b>                         |  |                                      |                     |
| Administrative   | 255,563                                  | 0                                    | 255,563             |
| Tenant Services  | 4,087                                    | 0                                    | 4,087               |
| Utilities  | 100,777                                  | 0                                    | 100,777             |
| Ordinary maintenance<br>and operation                    | 318,427                                  | 0                                    | 318,427             |
| Protective services                                      | 20,773                                   | 0                                    | 20,773              |
| General expense  | 162,490                                  | 0                                    | 162,490             |
| Depreciation expense                                     | 532,086                                  | 0                                    | 532,086             |
| <b>TOTAL OPERATING EXPENSES</b>                          | <b>1,394,203</b>                         | <b>0</b>                             | <b>1,394,203</b>    |
| OPERATING INCOME (LOSS)                                  | <b>(936,929)</b>                         | <b>0</b>                             | <b>(936,929)</b>    |
| <b><u>NONOPERATING REVENUES (EXPENSES)</u></b>           |  |                                      |                     |
| Federal operating grants                                 | 430,433                                  | 20,200                               | 450,633             |
| Interest income  | 2,714                                    | 0                                    | 2,714               |
| <b>TOTAL NONOPERATING REVENUES</b>                       | <b>433,147</b>                           | <b>20,200</b>                        | <b>453,347</b>      |
| CAPITAL CONTRIBUTIONS                                    | 0  | 66,619                               | 66,619              |
| CHANGE IN NET POSITION                                   | <b>(503,782)</b>                         | <b>86,819</b>                        | <b>(416,963)</b>    |
| NET POSITION, BEGINNING OF YEAR,<br>as originally stated | 4,014,438                                | 0                                    | 4,014,438           |
| Operating transfers                                      | 86,819                                   | (86,819)                             | 0                   |
| NET POSITION, BEGINNING OF YEAR,<br>year as restated     | 4,101,257                                | (86,819)                             | 4,014,438           |
| NET POSITION, END OF YEAR                                | <b>\$ 3,597,475</b>                      | <b>\$ 0</b>                          | <b>\$ 3,597,475</b> |

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

|   | Project Total | Subtotal     | ELIM | Total        |
|---|---------------|--------------|------|--------------|
| 111 Cash - Unrestricted   | \$443,521     | \$443,521    | \$0  | \$443,521    |
| 112 Cash - Restricted - Modernization and Development             | \$0           | \$0          | \$0  | \$0          |
| 113 Cash - Other Restricted                                       | \$0           | \$0          | \$0  | \$0          |
| 114 Cash - Tenant Security Deposits                               | \$28,425      | \$28,425     | \$0  | \$28,425     |
| 115 Cash - Restricted for Payment of Current Liabilities          | \$0           | \$0          | \$0  | \$0          |
| 100 Total Cash  | \$471,946     | \$471,946    | \$0  | \$471,946    |
| 121 Accounts Receivable - PHA Projects                            | \$0           | \$0          | \$0  | \$0          |
| 122 Accounts Receivable - HUD Other Projects                      | \$450         | \$450        | \$0  | \$450        |
| 124 Accounts Receivable - Other Government                        | \$0           | \$0          | \$0  | \$0          |
| 125 Accounts Receivable - Miscellaneous                           | \$2,460       | \$2,460      | \$0  | \$2,460      |
| 126 Accounts Receivable - Tenants                                 | \$15,817      | \$15,817     | \$0  | \$15,817     |
| 126.1 Allowance for Doubtful Accounts - Tenants                   | -\$8,813      | -\$8,813     | \$0  | -\$8,813     |
| 126.2 Allowance for Doubtful Accounts - Other                     | \$0           | \$0          | \$0  | \$0          |
| 127 Notes, Loans, & Mortgages Receivable - Current                | \$0           | \$0          | \$0  | \$0          |
| 128 Fraud Recovery  | \$33          | \$33         | \$0  | \$33         |
| 128.1 Allowance for Doubtful Accounts - Fraud                     | -\$20         | -\$20        | \$0  | -\$20        |
| 129 Accrued Interest Receivable                                   | \$905         | \$905        | \$0  | \$905        |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts    | \$10,832      | \$10,832     | \$0  | \$10,832     |
| 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                             | \$54,492      | \$54,492     | \$0  | \$54,492     |
| 143 Inventories   | \$32,719      | \$32,719     | \$0  | \$32,719     |
| 143.1 Allowance for Obsolete Inventories                          | -\$3,272      | -\$3,272     | \$0  | -\$3,272     |
| 144 Inter Program Due From  | \$0           | \$0          | \$0  | \$0          |
| 145 Assets Held for Sale  | \$0           | \$0          | \$0  | \$0          |
| 150 Total Current Assets  | \$566,717     | \$566,717    | \$0  | \$566,717    |
| 161 Land  | \$826,661     | \$826,661    | \$0  | \$826,661    |
| 162 Buildings   | \$10,515,343  | \$10,515,343 | \$0  | \$10,515,343 |
| 163 Furniture, Equipment & Machinery - Dwellings                  | \$0           | \$0          | \$0  | \$0          |
| 164 Furniture, Equipment & Machinery - Administration             | \$175,624     | \$175,624    | \$0  | \$175,624    |
| 165 Leasehold Improvements  | \$0           | \$0          | \$0  | \$0          |
| 166 Accumulated Depreciation                                      | -\$7,350,140  | -\$7,350,140 | \$0  | -\$7,350,140 |
| 167 Construction in Progress                                      | \$0           | \$0          | \$0  | \$0          |
| 168 Infrastructure  | \$0           | \$0          | \$0  | \$0          |
| 160 Total Capital Assets, Net of Accumulated Depreciation         | \$4,167,488   | \$4,167,488  | \$0  | \$4,167,488  |
| 171 Notes, Loans and Mortgages Receivable - Non-Current           | \$0           | \$0          | \$0  | \$0          |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | \$0           | \$0          | \$0  | \$0          |
| 173 Grants Receivable - Non Current                               | \$0           | \$0          | \$0  | \$0          |
| 174 Other Assets  | \$0           | \$0          | \$0  | \$0          |
| 176 Investments in Joint Ventures                                 | \$0           | \$0          | \$0  | \$0          |
| 180 Total Non-Current Assets                                      | \$4,167,488   | \$4,167,488  | \$0  | \$4,167,488  |
| 200 Deferred Outflow of Resources                                 | \$0           | \$0          | \$0  | \$0          |
| 290 Total Assets and Deferred Outflow of Resources                | \$4,734,205   | \$4,734,205  | \$0  | \$4,734,205  |

|   |             |             |     |             |
|---|-------------|-------------|-----|-------------|
| 311 Bank Overdraft  | \$0         | \$0         | \$0 | \$0         |
| 312 Accounts Payable <= 90 Days   | \$9,340     | \$9,340     | \$0 | \$9,340     |
| 313 Accounts Payable >90 Days Past Due                                    | \$0         | \$0         | \$0 | \$0         |
| 321 Accrued Wage/Payroll Taxes Payable                                    | \$12,918    | \$12,918    | \$0 | \$12,918    |
| 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                                   | \$32,508    | \$32,508    | \$0 | \$32,508    |
| 341 Tenant Security Deposits  | \$28,425    | \$28,425    | \$0 | \$28,425    |
| 342 Unearned Revenue  | \$8,991     | \$8,991     | \$0 | \$8,991     |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | \$75,551    | \$75,551    | \$0 | \$75,551    |
| 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   | \$8,940     | \$8,940     | \$0 | \$8,940     |
| 347 Inter Program - Due To  | \$0         | \$0         | \$0 | \$0         |
| 348 Loan Liability - Current  | \$0         | \$0         | \$0 | \$0         |
| 310 Total Current Liabilities   | \$176,673   | \$176,673   | \$0 | \$176,673   |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue    | \$960,057   | \$960,057   | \$0 | \$960,057   |
| 352 Long-term Debt, Net of Current - Operating Borrowings                 | \$0         | \$0         | \$0 | \$0         |
| 353 Non-current Liabilities - Other                                       | \$0         | \$0         | \$0 | \$0         |
| 354 Accrued Compensated Absences - Non Current                            | \$0         | \$0         | \$0 | \$0         |
| 355 Loan Liability - Non Current  | \$0         | \$0         | \$0 | \$0         |
| 356 FASB 5 Liabilities  | \$0         | \$0         | \$0 | \$0         |
| 357 Accrued Pension and OPEB Liabilities                                  | \$0         | \$0         | \$0 | \$0         |
| 350 Total Non-Current Liabilities   | \$960,057   | \$960,057   | \$0 | \$960,057   |
| 300 Total Liabilities   | \$1,136,730 | \$1,136,730 | \$0 | \$1,136,730 |
| 400 Deferred Inflow of Resources  |             |             |     |             |
| 508.4 Net Investment in Capital Assets                                    | \$3,131,880 | \$3,131,880 |     | \$3,131,880 |
| 511.4 Restricted Net Position   | \$0         | \$0         |     | \$0         |
| 512.4 Unrestricted Net Position   | \$465,595   | \$465,595   |     | \$465,595   |
| 513 Total Equity - Net Assets / Position                                  | \$3,597,475 | \$3,597,475 | \$0 | \$3,597,475 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net     | \$4,734,205 | \$4,734,205 | \$0 | \$4,734,205 |

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

|   | Project Total | Subtotal  | ELIM | Total     |
|---|---------------|-----------|------|-----------|
| 70300 Net Tenant Rental Revenue                         | \$419,777     | \$419,777 | \$0  | \$419,777 |
| 70400 Tenant Revenue - Other                            | \$17,930      | \$17,930  | \$0  | \$17,930  |
| 70500 Total Tenant Revenue                              | \$437,707     | \$437,707 | \$0  | \$437,707 |
| 70600 HUD PHA Operating Grants                          | \$450,633     | \$450,633 | \$0  | \$450,633 |
| 70610 Capital Grants                                    | \$66,619      | \$66,619  | \$0  | \$66,619  |
| 70710 Management Fee                                    | \$0           | \$0       | \$0  | \$0       |
| 70720 Asset Management Fee                              | \$0           | \$0       | \$0  | \$0       |
| 70730 Book Keeping Fee                                  | \$0           | \$0       | \$0  | \$0       |
| 70740 Front Line Service Fee                            | \$0           | \$0       | \$0  | \$0       |
| 70750 Other Fees  | \$0           | \$0       | \$0  | \$0       |
| 70700 Total Fee Revenue                                 | \$0           | \$0       | \$0  | \$0       |
| 70800 Other Government Grants                           | \$0           | \$0       | \$0  | \$0       |
| 71100 Investment Income - Unrestricted                  | \$1,945       | \$1,945   | \$0  | \$1,945   |
| 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                                    | \$749         | \$749     | \$0  | \$749     |
| 71500 Other Revenue                                     | \$18,818      | \$18,818  | \$0  | \$18,818  |
| 71600 Gain or Loss on Sale of Capital Assets            | \$0           | \$0       | \$0  | \$0       |
| 72000 Investment Income - Restricted                    | \$769         | \$769     | \$0  | \$769     |
| 70000 Total Revenue                                     | \$977,240     | \$977,240 | \$0  | \$977,240 |
| 91100 Administrative Salaries                           | \$129,172     | \$129,172 | \$0  | \$129,172 |
| 91200 Auditing Fees                                     | \$0           | \$0       | \$0  | \$0       |
| 91300 Management Fee                                    | \$0           | \$0       | \$0  | \$0       |
| 91310 Book-keeping Fee                                  | \$0           | \$0       | \$0  | \$0       |
| 91400 Advertising and Marketing                         | \$3,643       | \$3,643   | \$0  | \$3,643   |
| 91500 Employee Benefit contributions - Administrative   | \$57,386      | \$57,386  | \$0  | \$57,386  |
| 91600 Office Expenses                                   | \$36,235      | \$36,235  | \$0  | \$36,235  |
| 91700 Legal Expense                                     | \$3,357       | \$3,357   | \$0  | \$3,357   |
| 91800 Travel  | \$9,203       | \$9,203   | \$0  | \$9,203   |
| 91810 Allocated Overhead                                | \$0           | \$0       | \$0  | \$0       |
| 91900 Other   | \$16,567      | \$16,567  | \$0  | \$16,567  |
| 91000 Total Operating - Administrative                  | \$255,563     | \$255,563 | \$0  | \$255,563 |
| 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                           | \$4,087       | \$4,087   | \$0  | \$4,087   |
| 92500 Total Tenant Services                             | \$4,087       | \$4,087   | \$0  | \$4,087   |
| 93100 Water   | \$7,288       | \$7,288   | \$0  | \$7,288   |
| 93200 Electricity                                       | \$58,577      | \$58,577  | \$0  | \$58,577  |
| 93300 Gas   | \$21,817      | \$21,817  | \$0  | \$21,817  |
| 93400 Fuel  | \$0           | \$0       | \$0  | \$0       |
| 93500 Labor   | \$0           | \$0       | \$0  | \$0       |
| 93600 Sewer   | \$13,095      | \$13,095  | \$0  | \$13,095  |
| 93700 Employee Benefit Contributions - Utilities        | \$0           | \$0       | \$0  | \$0       |
| 93800 Other Utilities Expense                           | \$0           | \$0       | \$0  | \$0       |
| 93000 Total Utilities                                   | \$100,777     | \$100,777 | \$0  | \$100,777 |

|  |             |             |           |             |
|--|-------------|-------------|-----------|-------------|
| 94100 Ordinary Maintenance and Operations - Labor                      | \$112,544   | \$112,544   | \$0       | \$112,544   |
| 94200 Ordinary Maintenance and Operations - Materials and Other        | \$37,814    | \$37,814    | \$0       | \$37,814    |
| 94300 Ordinary Maintenance and Operations Contracts                    | \$108,745   | \$108,745   | \$0       | \$108,745   |
| 94500 Employee Benefit Contributions - Ordinary Maintenance            | \$59,324    | \$59,324    | \$0       | \$59,324    |
| 94000 Total Maintenance  | \$318,427   | \$318,427   | \$0       | \$318,427   |
| 95100 Protective Services - Labor                                      | \$0         | \$0         | \$0       | \$0         |
| 95200 Protective Services - Other Contract Costs                       | \$20,773    | \$20,773    | \$0       | \$20,773    |
| 95300 Protective Services - Other                                      | \$0         | \$0         | \$0       | \$0         |
| 95500 Employee Benefit Contributions - Protective Services             | \$0         | \$0         | \$0       | \$0         |
| 95000 Total Protective Services  | \$20,773    | \$20,773    | \$0       | \$20,773    |
| 96110 Property Insurance   | \$29,104    | \$29,104    | \$0       | \$29,104    |
| 96120 Liability Insurance  | \$10,529    | \$10,529    | \$0       | \$10,529    |
| 96130 Workmen's Compensation   | \$4,534     | \$4,534     | \$0       | \$4,534     |
| 96140 All Other Insurance  | \$5,213     | \$5,213     | \$0       | \$5,213     |
| 96100 Total Insurance Premiums   | \$49,380    | \$49,380    | \$0       | \$49,380    |
| 96200 Other General Expenses   | \$12,618    | \$12,618    | \$0       | \$12,618    |
| 96210 Compensated Absences   | \$15,627    | \$15,627    | \$0       | \$15,627    |
| 96300 Payments in Lieu of Taxes  | \$32,841    | \$32,841    | \$0       | \$32,841    |
| 96400 Bad debt - Tenant Rents  | \$9,527     | \$9,527     | \$0       | \$9,527     |
| 96500 Bad debt - Mortgages   | \$0         | \$0         | \$0       | \$0         |
| 96600 Bad debt - Other   | \$0         | \$0         | \$0       | \$0         |
| 96800 Severance Expense  | \$0         | \$0         | \$0       | \$0         |
| 96000 Total Other General Expenses                                     | \$70,613    | \$70,613    | \$0       | \$70,613    |
| 96710 Interest of Mortgage (or Bonds) Payable                          | \$42,497    | \$42,497    | \$0       | \$42,497    |
| 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                     | \$42,497    | \$42,497    | \$0       | \$42,497    |
| 96900 Total Operating Expenses   | \$862,117   | \$862,117   | \$0       | \$862,117   |
| 97000 Excess of Operating Revenue over Operating Expenses              | \$115,123   | \$115,123   | \$0       | \$115,123   |
| 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   | \$532,086   | \$532,086   | \$0       | \$532,086   |
| 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   | \$1,394,203 | \$1,394,203 | \$0       | \$1,394,203 |
| 10010 Operating Transfer In  | \$20,200    | \$20,200    | -\$20,200 | \$0         |
| 10020 Operating Transfer Out   | -\$20,200   | -\$20,200   | \$20,200  | \$0         |
| 10030 Operating Transfers from/to Primary Government                   | \$0         | \$0         | \$0       | \$0         |
| 10040 Operating Transfers from/to Component Unit                       | \$0         | \$0         | \$0       | \$0         |
| 10050 Proceeds from Notes, Loans and Bonds                             |             |             |           |             |
| 10060 Proceeds from Property Sales                                     |             |             |           |             |
| 10070 Extraordinary Items, Net Gain/Loss                               | \$0         | \$0         | \$0       | \$0         |
| 10080 Special Items (Net Gain/Loss)                                    | \$0         | \$0         | \$0       | \$0         |
| 10091 Inter Project Excess Cash Transfer In                            | \$0         | \$0         | \$0       | \$0         |
| 10092 Inter Project Excess Cash Transfer Out                           | \$0         | \$0         | \$0       | \$0         |
| 10093 Transfers between Program and Project - In                       | \$0         | \$0         | \$0       | \$0         |
| 10094 Transfers between Project and Program - Out                      | \$0         | \$0         | \$0       | \$0         |
| 10100 Total Other financing Sources (Uses)                             | \$0         | \$0         | \$0       | \$0         |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -\$416,963  | -\$416,963  | \$0       | -\$416,963  |

|       |   |             |             |     |             |
|-------|---|-------------|-------------|-----|-------------|
| 11020 | Required Annual Debt Principal Payments                             | \$75,552    | \$75,552    |     | \$75,552    |
| 11030 | Beginning Equity  | \$4,014,438 | \$4,014,438 | \$0 | \$4,014,438 |
| 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   |             |             |     |             |
| 11180 | Housing Assistance Payments Equity                                  |             |             |     |             |
| 11190 | Unit Months Available   | 2069        | 2069        | 0   | 2069        |
| 11210 | Number of Unit Months Leased  | 2008        | 2008        | 0   | 2008        |
| 11270 | Excess Cash   | \$234,262   | \$234,262   |     | \$234,262   |
| 11610 | Land Purchases  | \$0         | \$0         |     | \$0         |
| 11620 | Building Purchases  | \$1,081,189 | \$1,081,189 |     | \$1,081,189 |
| 11630 | Furniture & Equipment - Dwelling Purchases                          | \$0         | \$0         |     | \$0         |
| 11640 | Furniture & Equipment - Administrative Purchases                    | \$1,676     | \$1,676     |     | \$1,676     |
| 11650 | Leasehold Improvements Purchases                                    | \$0         | \$0         |     | \$0         |
| 11660 | Infrastructure Purchases  | \$0         | \$0         |     | \$0         |
| 13510 | CFFP Debt Service Payments  | \$0         | \$0         |     | \$0         |
| 13901 | Replacement Housing Factor Funds                                    | \$0         | \$0         |     | \$0         |

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

| <u>ANNUAL<br/>CONTRIBUTION<br/>CONTRACT</u> | <u>PROGRAM<br/>AND<br/>ASSISTANCE TYPE</u> | <u>CFDA<br/>NUMBER</u> | <u>AWARD</u>             | <u>EXPENDITURES</u>      |
|---|--|------------------------|--------------------------|--------------------------|
|   | <u>U. S. DEPARTMENT OF HUD</u>             |                        |                          |                          |
| PA063                                       | Low Income Public Housing                  | 14.850                 | \$ 450,633               | \$ 450,633               |
| PA063                                       | Capital Fund Program                       | 14.872                 | <u>194,849</u>           | <u>66,619</u>            |
| <b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>   |  |                        | <b><u>\$ 645,482</u></b> | <b><u>\$ 517,252</u></b> |

Notes to Schedule of Expenditures of Federal Awards:

Note 1            The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting as described in Note A.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE A - Financial Data Schedule:

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

OTHER REPORTS

# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

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

## Independent Auditor's Report

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Angola, as of and for the year ended December 31, 2014, 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 June 5, 2015.

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

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

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

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

### **Compliance and Other Matters**

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

**Purpose Of This Report**

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

*Goldie Roberts*

Certified Public Accountant

Fredericksburg, Indiana  
June 5, 2015

# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133

## INDEPENDENT AUDITOR'S REPORT

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

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

I have audited the Housing Authority of the City of Angola's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Angola's major federal programs for the year ended December 31, 2014. The Housing Authority of the City of Angola's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contract, and grants applicable to its federal programs.

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

My responsibility is to express an opinion on compliance with each of the Housing Authority of the City of Angola's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Angola's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Housing Authority of the City of Angola's compliance.

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

In my opinion, the Housing Authority of the City of Angola, complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

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

Management of the Housing Authority of the City of Angola is responsible for establishing and maintaining effective internal control over compliance requirements referred to above. In planning and performing my audit of the financial statements, I considered the Housing Authority of the City of Angola's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the City of Angola's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Goldie Roberts*

Certified Public Accountant

Fredericksburg, Indiana  
June 5, 2015

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

DECEMBER 31, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:  
~ Material weakness(es) identified?       yes   X  no  
~ Significant deficiency(s) identified that are  
not considered to be material weaknesses?       yes   X  none reported

Noncompliance material to financial statements  
noted?       yes   X  no

FEDERAL AWARDS

Internal control over major programs:  
~ Material weakness(es) identified?       yes   X  no  
~ Significant deficiency(s) identified that are  
not considered to be material weakness(es)?       yes   X  none reported

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

Any audit findings disclosed that are required  
to be reported in accordance with section 510(a)  
of Circular A-133?       yes   X  no

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|--------------------------------|
| 14.850             | Low Income Public Housing      |

Dollar threshold used to distinguish  
between type A and type B programs:   \$ 300,000  

Auditee qualified as low-risk auditee?       yes   X  no

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

DECEMBER 31, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

PRIOR AUDIT FINDINGS

There were no Prior Year Findings.

CURRENT YEAR FINDINGS

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no Financial Statement Findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings.