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May 11, 2017

Board of Directors
City of Richmond Housing Authority
58 South 15th Street
Richmond, IN 47374

We have reviewed the audit report prepared by Goldie Roberts, CPA, Independent Public Accountant, for the period July 1, 2015 to June 30, 2016. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of the City of Richmond Housing Authority, as of June 30, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

Paul D. Joyce, CPA
State Examiner

HOUSING AUTHORITY OF THE CITY OF RICHMOND

AUDITED FINANCIAL STATEMENTS

Richmond, Indiana

June 30, 2016

Goldie Roberts

Certified Public Accountant

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

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Decatur, GA 30033
404-297-9881

HOUSING AUTHORITY OF THE
CITY OF RICHMOND

Richmond, Indiana
June 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	i
 <u>FINANCIAL STATEMENTS</u>	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Fund Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	7
 <u>SUPPLEMENTAL FINANCIAL INFORMATION</u>	
Combining Schedule of Program Net Position	15
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	16
Financial Data Schedule	17
Notes to Supplemental Financial Information	22
Schedule of Expenditures of Federal Awards	23
 <u>OTHER REPORTS</u>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by Uniform Guidance	26
Schedule of Findings and Questioned Costs	28

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 Richmond
58 South Fifteenth Street
Richmond, IN 47374

Report on the Financial Statements

I have audited the accompanying financial statements of the Housing Authority of the City of Richmond ("the Authority") which comprise the Statement of Net Position as of June 30, 2016, 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 Richmond'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 Richmond as of June 30, 2016, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The accompanying Financial Data Schedule, Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards, 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 Financial Data Schedule, Schedule of Expenditures of Federal Awards, and the other supplemental information as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 27, 2017 on my consideration of the Housing Authority of the City of Richmond'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 Richmond's internal control over financial reporting and compliance.



Certified Public Accountant

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana
Management's Discussion and Analysis
June 30, 2016

Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended June 30, 2016. Please read it in conjunction with the Authority's financial statements.

Financial Highlights

- Federal Operating Grants increased by \$528,308 or nearly 25 percent due to an increase in operating subsidy funding availability for Public Housing. The Authority requested and was awarded set-aside funding for the Housing Choice Voucher program.
- The Authority made fewer capital improvements throughout the year, which resulted in a decrease of \$87,214 and nearly 26 percent of Capital Grant revenue.
- Housing Assistance Payments increased by \$116,691 or nearly 11 percent due to an increase in vouchers being administered.

Overview of the Financial Statements

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records are structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the note to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity, and are classified as current and non-current.

Net position is reported in three broad categories:

Investment in Capital Assets: This component consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana
Management's Discussion and Analysis
June 30, 2016
(Continued)

Unrestricted Net Position: This component consists of net position that is not restricted and does not meet the definition of Investment in Capital Assets.

The **Statement of Revenues, Expenses, and Changes in Fund Net Position** presents information showing how the Authority's net position changed during the year. This statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and non-operating revenue and expenses, such as grant revenue, investment income, interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement is the change in net position, which is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and investing activities.

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the information included in the financial statements.

In addition to the basic financial statements and accompanying notes, this report includes two types of supplementary information: required supplementary information and other supplementary information. Required supplementary information must be included to conform with generally accepted accounting principles. Management's discussion and analysis is the required supplementary information.

Other supplementary information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards is required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

Program Information

Low Income Public Housing: The Authority owns 303 units in Richmond, Indiana. Under the low income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on a percentage of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority's properties. The purpose of the capital fund program is to maintain the physical improvements of the Authority's sites. The Authority requisitions fund from HUD as the Authority expense funds.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana
Management's Discussion and Analysis
June 30, 2016
(Continued)

Section 8 Housing Choice Vouchers: The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family. The objective of the program is to assist in making tenant-based rental assistance more successful by helping increase housing choices for low-income families and assisting them in obtaining affordable housing.

The Neighborhood Stabilization Program (NSP): The NSP consists of 10 houses that the City of Richmond, IN has given to the Housing Authority of the City of Richmond for affordable housing. These houses are rented at market rate and are not federally funded.

The Homeownership Opportunity Program (HOOP): The HOOP assists tenants in funding a down payment through set asides rents, when approved for a mortgage. There are currently 3 homes which are rented out with the option to own through the program.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 Richmond, Indiana
Management's Discussion and Analysis
 June 30, 2016
 (Continued)

Financial Position and Analysis

Table 1 compares the Authority's financial position for the fiscal years ended June 30, 2016 and 2015:

Table 1 - Entity-Wide Balance Sheet Comparison

	2016	2015	Increase (Decrease)	Percent Variance
<u>Assets</u>				
Cash & cash equivalents	\$ 1,126,892	\$ 1,164,018	\$ (37,126)	-3.19%
Other Current Assets	106,604	122,636	(16,032)	-13.07%
Noncurrent Assets	5,049,466	4,924,740	124,726	2.53%
Total Assets	6,282,962	6,211,394	71,568	1.15%
<u>Liabilities</u>				
Current Liabilities	105,880	123,529	(17,649)	-14.29%
Noncurrent Liabilities	96,028	57,897	38,131	65.86%
Total Liabilities	201,908	181,426	20,482	11.29%
<u>Net Position</u>				
Investment in Capital Assets	5,049,466	4,924,740	124,726	2.53%
Restricted Net Position	593,533	596,505	(2,972)	-0.50%
Unrestricted Net Position	438,055	508,723	(70,668)	-13.89%
Total Net Position	\$ 6,081,054	\$ 6,029,968	\$ 51,086	0.85%

Other Current Assets decreased by \$16,032 or 13.07 percent. This decrease is due mainly to a decrease in prepaid expenses.

Current Liabilities decreased by \$17,649 or 14.29 percent primarily due to a zero balance of accrued wages due to the timing of payroll paid.

Noncurrent Liabilities increased by \$38,131 or 65.86 percent. This increase is primarily due to a reclassification of noncurrent compensated absence balances.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 Richmond, Indiana
Management's Discussion and Analysis
 June 30, 2016
 (Continued)

Table 2 focuses on the changes in Net Position

Table 2 - Entity-Wide Income Statement Comparison

	2016	2015	Increase (Decrease)	Percent Variance
<u>Operating Revenue & Expense</u>				
Operating Revenue	\$ 3,335,291	\$ 2,886,942	\$ 448,349	15.53%
Operating Expenses	1,591,557	1,847,453	(255,896)	-13.85%
Total Operating Income (Loss)	1,743,734	1,039,489	704,245	67.75%
Non-Operating Revenues & Expenses, Net	(1,692,648)	(1,500,922)	(191,726)	12.77%
Income (Loss) in Net Position	51,086	(461,433)	512,519	-111.07%
Net Position, Beginning of year	6,029,968	6,491,401	(461,433)	-7.11%
Net Position, End of year	<u>\$ 6,081,054</u>	<u>\$ 6,029,968</u>	<u>\$ 51,086</u>	<u>0.85%</u>

Table 3 presents a summary of the Authority's revenue by source:

Table 3 - Entity-Wide Revenue Comparison

	2016	2015	Increase (Decrease)	Percent Variance
<u>Operating Revenue (Loss)</u>				
Tenant Revenue	\$ 398,512	\$ 389,452	\$ 9,060	2.33%
Government Operating Grants	2,648,138	2,119,830	528,308	24.92%
Government Capital Grants	257,907	345,121	(87,214)	-25.27%
Other Income	30,734	32,539	(1,805)	-5.55%
Total Operating Income (Loss)	3,335,291	2,886,942	448,349	15.53%
Total Revenue (Loss)	<u>\$ 3,335,291</u>	<u>\$ 2,886,942</u>	<u>\$ 448,349</u>	<u>15.53%</u>

Public Housing Operating Grants increased by 528,308 or 24.92 percent due to an increase in operating subsidy funding availability for Public Housing and also set-aside funding requested and rewarded for the Housing Choice Voucher program.

Public Housing Capital Fund decreased by \$87,214 or 25.27 percent due to a decrease in capital expenditures during fiscal year 2016.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 Richmond, Indiana
Management's Discussion and Analysis
 June 30, 2016
 (Continued)

Table 4 presents a summary of the Authority's operating expenses:

Table 4 - Entity-Wide Expense Comparison

	2016	2015	Increase (Decrease)	Percent Variance
Administrative	\$ 626,780	\$ 662,540	\$ (35,760)	-5.40%
Tenant Services	6,524	10,274	(3,750)	-36.50%
Utilities	277,139	289,150	(12,011)	-4.15%
Maintenance	515,243	771,862	(256,619)	-33.25%
Insurance	103,363	71,378	31,985	44.81%
General Expense	62,508	42,249	20,259	47.95%
Total Operating Expenses	\$ 1,591,557	\$ 1,847,453	(255,896)	-13.85%
Depreciation Expense	513,947	438,912	75,035	17.10%
Housing Assistance Payments	1,178,701	1,062,010	116,691	10.99%
Total Non-Operating Expenses	\$ 1,692,648	\$ 1,500,922	191,726	12.77%
Total Expenses	\$ 3,284,205	\$ 3,348,375	\$ (64,170)	-1.92%

Tenant Services decreased by \$3,750 or 36.50 percent primarily due to a decrease in recreation publication expenses incurred during the year.

Maintenance decreased by \$256,619 or 33.25 percent due to decreases in materials purchased and maintenance contracts since many improvements were made in the prior year.

General Expense increased by \$20,259 or 47.95 percent primarily due to compensated absence expenses being recognized.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 Richmond, Indiana
Management's Discussion and Analysis
 June 30, 2016
 (Continued)

Budgetary Analysis

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public Housing and Housing Choice Voucher are adopted on the basis of accounting described by HUD, which differs in some respects from generally accepted accounting principles.

Low-Income Public Housing Budgetary Highlights

Table 5 - Low Income Public Housing Program - Actual vs. Budget

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
<u>Operating Revenue</u>				
Rental income	\$ 344,460	\$ 327,688	\$ (16,772)	-4.87%
Operating subsidy	1,064,461	1,350,046	285,585	26.83%
Capital Grant	125,762	257,907	132,145	105.08%
Other income	18,925	18,385	(540)	-2.85%
Total Revenue	1,553,608	1,954,026	400,418	25.77%
<u>Expenses</u>				
Administrative	489,570	577,267	(87,697)	-17.91%
Tenant Services	6,000	6,524	(524)	-8.73%
Utilities	285,570	265,580	19,990	7.00%
Maintenance	525,250	473,367	51,883	9.88%
Protective Services	62,000	-	62,000	100.00%
Insurance	57,800	93,694	(35,894)	-62.10%
General Expenses	127,418	41,068	86,350	67.77%
Total Expenses	1,553,608	1,457,500	96,108	6.19%
Income (Over) Under Expenses	\$ -	\$ 496,526	\$ 496,526	100.00%

Operating Subsidy was greater than budget by \$285,585 or 26.83 percent. The cause of this was primarily due to an increase in funding levels from HUD and Capital Fund Grants for administration costs.

Administrative Expenses were greater than budget by \$87,697 or 17.91 percent. The variance primarily reflects staffing changes and unexpected office expenses.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 Richmond, Indiana
Management's Discussion and Analysis
 June 30, 2016
 (Continued)

Utilities were under budget by \$19,990 or 7.00 percent due to warmer weather in Fiscal Year 2016.

Insurance exceeded the budget by \$35,894 or 62.10 percent due to recognizing more insurance expense and less prepaid expenses.

Capital Assets

Table 6 summarizes the Authority's investment in capital assets.

Table 6 - Summary of Entity-Wide of Capital Asset Activity

	2016	2015	Increase (Decrease)	Percent Variance
Land	\$ 1,368,387	\$ 1,368,387	\$ -	0.00%
Buildings	15,917,763	15,666,734	251,029	1.60%
Furniture and Equipment - Dwellings	302,273	298,961	3,312	1.11%
Furniture and Equipment - Administration	631,161	511,623	119,538	23.36%
Construction in progress	480,061	215,266	264,795	123.01%
	<u>18,699,645</u>	<u>18,060,971</u>	<u>638,674</u>	<u>3.54%</u>
Less: accumulated depreciation	<u>(13,650,179)</u>	<u>(13,136,231)</u>	<u>(513,948)</u>	<u>3.91%</u>
Capital Assets, Net	<u><u>\$ 5,049,466</u></u>	<u><u>\$ 4,924,740</u></u>	<u><u>\$ 124,726</u></u>	<u><u>2.53%</u></u>

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. Additional information and details can be found in the Notes to the Financial Statements.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 Richmond, Indiana
Management's Discussion and Analysis
 June 30, 2016
 (Continued)

Capital funding available for 2016 is as follows:

Table 7 - Summary of Capital Fund Grants

	<u>Grant</u>	<u>Total Budget</u>	<u>Expended through 6/30/2016</u>	<u>Budget Remaining at 6/30/2016</u>
Capital Fund Program 2013	501-13	378,341	358,287	20,054
Capital Fund Program 2014	501-14	399,960	292,376	107,584
Capital Fund Program 2015	501-15	415,387	238,564	176,823
Capital Fund Program 2016	501-16	430,250	43,025	<u>387,225</u>
				<u>\$ 691,686</u>

Significant Economic Factors Affecting the Authority

- The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of Public Housing Authorities (PHAs). We do not expect this trend to change.
- Even if HUD were fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. Further, increased funding for the Departments of Defense and Homeland Security may result in reduced appropriations for all other domestic program spending.
- Rising cost of utility rates, supplies, and other costs may impact our budgets in future years.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for those interested. If you should have additional questions regarding the financial information, you can contact our offices by writing to the following address:

Housing Authority of the City of Richmond
 Attn: Derek White
 Executive Director
 58 South 15th Street
 Richmond, IN 47374

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

STATEMENT OF NET POSITION

JUNE 30, 2016

ASSETS

Current Assets

Cash and cash equivalents	\$	455,759
Restricted cash and cash equivalents		671,133
Accounts receivable, net		25,525
Prepaid expenses		58,742
Inventory, net		22,337
Current Assets		<u>1,233,496</u>

Capital Assets

Land and other nondepreciable assets		1,848,448
Depreciable capital assets, net		3,201,018
Total Capital Assets		<u>5,049,466</u>

Total Assets **6,282,962**

LIABILITIES

Current liabilities

Accounts payable		48,082
Accrued liabilities		3,965
Payable from restricted cash and cash equivalents:		
Tenants security deposits		53,470
Unearned revenue		363
Total Current Liabilities		<u>105,880</u>

Noncurrent liabilities **96,028**

Total Liabilities **201,908**

NET POSITION

Investment in capital assets		5,049,466
Restricted		593,533
Unrestricted		438,055
Total Net Position	\$	<u><u>6,081,054</u></u>

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

OPERATING REVENUES

Rental income	\$	398,512
Other income		12,819

TOTAL OPERATING REVENUE		411,331
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OPERATING EXPENSES

Administrative		648,221
Tenant services		6,524
Utilities		277,139
Ordinary maintenance and operation		515,243
General expense		144,431
Housing Assistance Payments		1,178,701
Depreciation expense		513,947

TOTAL OPERATING EXPENSES		3,284,206
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OPERATING INCOME (LOSS)		(2,872,875)
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NONOPERATING REVENUES

Federal operating grants		2,648,139
Interest income		17,915

NET NONOPERATING REVENUES		2,666,054
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CAPITAL CONTRIBUTIONS		257,907
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CHANGE IN NET POSITION		51,086
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TOTAL NET POSITION - BEGINNING OF YEAR		6,029,968
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TOTAL NET POSITION - END OF YEAR	\$	6,081,054
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The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from tenants and other deposits	\$ 403,595
Payments to vendors	(823,135)
Payments to landlords	(1,178,701)
Payments to employees	(724,173)
Net Cash Used by Operating Activities	<u>(2,322,414)</u>
 <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Grants received	2,648,139
Net Cash From Noncapital Financing Activities	<u>2,648,139</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Capital grants received	257,907
Acquisition and construction of capital assets	(638,673)
Net Cash Flows Provided (Used)	<u>(380,766)</u>
by Capital and Related Financing Activities	<u>(380,766)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest received	17,915
Net Cash From Investing Activities	<u>17,915</u>
 Net Increase in Cash and Cash Equivalents	 (37,126)
 Cash - Beginning of year	 <u>1,164,018</u>
Cash - End of year	<u><u>\$ 1,126,892</u></u>
 Reconciliation of Deposits:	
Cash and cash equivalents	\$ 455,759
Restricted cash and cash equivalents	671,133
Total Deposits	<u><u>\$ 1,126,892</u></u>

Continued

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

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

Operating income (loss)	\$	(2,872,875)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation		513,947
Changes in assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		(7,736)
Prepaid expenses		28,409
Inventory		(4,641)
Increase (Decrease) in:		
Accounts payable		8,317
Accrued liabilities		12,320
Unearned revenue		(155)
Net Cash Used by Operating Activities	\$	<u>(2,322,414)</u>

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

NOTE A - Summary of Significant Accounting Policies and Organization:

The financial statements of the HOUSING AUTHORITY OF THE CITY OF RICHMOND ("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 political subdivision, 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 Richmond, a primary government. 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 Richmond include the following:

<u>Project</u>	<u>Units</u>
Authority owned	303
HACR Rentals Inc.	10
Homeownership	3
Housing Assistance Payments Program:	
Housing Choice Vouchers	262
Total	<u>578</u>

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. GAAP as applicable to special purpose governments engaged only in business type activities.

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

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

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

Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The Authority has no debt.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(Continued)

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

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.

Accounting Policies - The financial statements of 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.

Use of Enterprise Accounting - The Authority presents its financial statements using enterprise accounting, as allowed by governments. Although the Authority accounts for its programs using accounts for its internal reporting, the Authority is considered to be a unified enterprise fund for reporting purposes. Accordingly, the Authority uses the economic resources measurement focus and the related accrual basis of accounting. Under the economic resources measurement focus, the Authority accounts for all assets and liabilities. Under the accrual basis of accounting expenses are recorded when the goods and services are received, irrespective of when paid for, and revenues are recorded as earned, irrespective of when cash is received.

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

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

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

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

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

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

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

Prepaid - Prepaid represent payments made to vendors for services that will benefit beyond June 30, 2016.

Inventories - Inventories are valued at cost, which approximates market value. The Authority uses the FIFO method.

Capital assets - Capital assets purchased are recorded on the Statement of Net Position at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is \$1,000 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	10-40 years
Furniture, Equipment and Machinery	5 years

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

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

Restricted Assets - When both restricted and unrestricted resources are available for use, it is the Authority's 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 liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

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

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.

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 June 30, 2016, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

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

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

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

The carrying amounts of the Authority's cash deposits were \$1,126,892 at June 30, 2016. Bank balances before reconciling items were \$1,253,130 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name except as noted above.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

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

Deposits consist of the following:

Deposits in Bank	\$ 314,432
Certificates of Deposit	<u>812,460</u>
Total	<u>\$ 1,126,892</u>

NOTE C - Accounts Receivable:

Accounts receivable at June 30, 2016, consist of the following:

Tenant accounts receivable, net of allowance for doubtful accounts of \$1,265	\$ 11,381
Fraud recovery, net of allowance of \$1,265	4,314
Miscellaneous accounts receivable	2,767
Other PHA Projects	<u>7,063</u>
Total	<u>\$ 25,525</u>

NOTE D - Prepaid Expenses:

Prepaid expenses at June 30, 2016, consist of the following:

Prepaid insurance	<u>\$ 58,742</u>
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NOTE E - Inventory:

Inventory at June 30, 2016, consist of the following:

Materials and supplies	<u>\$ 22,337</u>
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Materials inventories are recorded at cost. The FIFO inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	<u>Beginning Balance 06/30/15</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance 06/30/16</u>
Capital assets, not being depreciated:					
Land	\$ 1,368,387	\$ 0	\$ 0	\$ 0	\$ 1,368,387
Construction in Progress	<u>215,266</u>	<u>638,674</u>	<u>0</u>	<u>(373,879)</u>	<u>480,061</u>
Total Capital Assets, Not being depreciated	<u>1,583,653</u>	<u>638,674</u>	<u>0</u>	<u>(373,879)</u>	<u>1,848,448</u>
Capital Assets, being depreciated:					
Buildings & Improvements	15,666,734	0	0	251,029	15,917,763
Furniture, Equipment & Machinery	<u>810,584</u>	<u>0</u>	<u>0</u>	<u>122,850</u>	<u>933,434</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(Continued)

NOTE F - Capital Assets: (Continued)

Total Capital Assets, being depreciated	<u>16,477,318</u>	<u>0</u>	<u>0</u>	<u>373,879</u>	<u>16,851,197</u>
Less Accumulated Depreciation for:					
Buildings & Improvements	(12,289,463)	(465,721)	0	0	(12,755,184)
Furniture, Equipment and Machinery	(846,768)	(48,227)	0	0	(894,995)
Total Accumulated Depreciation:	<u>(13,136,231)</u>	<u>(513,948)</u>	<u>0</u>	<u>0</u>	<u>(13,650,179)</u>
Total Capital Assets, being depreciated, net	<u>3,341,087</u>	<u>(513,946)</u>	<u>0</u>	<u>373,879</u>	<u>3,201,018</u>
Capital Assets, Net	<u>\$ 4,924,740</u>	<u>\$ 124,728</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,049,466</u>

Major construction renovation through the Capital Fund Grant Program costs of \$346,433 that has yet to be expended under the current programs. HUD has approved funding for the above amount.

Depreciation expense of \$513,947 was incurred during the year.

NOTE G - Accounts Payable:

Accounts Payable at June 30, 2016, consists of the following:

Accounts Payables	<u>\$ 48,082</u>
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NOTE H - Accrued Liabilities:

Accrued liabilities at June 30, 2016, consist of the following:

Accrued compensated absences	<u>\$ 3,965</u>
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NOTE I - Unearned Revenue:

Unearned revenue at June 30, 2016, consists of the following:

Prepaid rent and other unearned revenue	<u>\$ 363</u>
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NOTE J - Noncurrent liabilities:

Noncurrent liabilities at June 30, 2016, consist of the following:

	<u>06/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/16</u>	<u>Due within one year</u>	<u>Total due</u>
Home Buyers Reserves	\$ 57,897	\$ 2,450	\$ 0	\$ 60,347	\$ 0	\$ 60,347
Accrued Compensated Absences	<u>0</u>	<u>35,681</u>	<u>0</u>	<u>35,681</u>	<u>3,965</u>	<u>39,646</u>
Total	<u>\$ 57,897</u>	<u>\$ 38,131</u>	<u>\$ 0</u>	<u>\$ 96,028</u>	<u>\$ 3,965</u>	<u>\$ 99,993</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

NOTE K - Commitments and Contingencies:

Litigation - At June 30, 2016, the Authority was not involved in any threatened litigation.

Examinations - The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years.

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

Construction Projects - There are certain major construction projects in progress at June 30, 2016. These include modernizing rental units at the project sites. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. These costs will be paid by grants committed to the Authority by HUD. The Authority had outstanding construction commitments of \$8,600 pertaining to its Capital Fund Program.

NOTE L - 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, which includes public officials, workman's compensation, property, and auto insurance. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

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

NOTE M - Federal Operating Grants:

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contracts. These subsidy contribution for the operating year ended June 30, 2016 were as follows:

Low Income Public Housing	\$ 1,043,414
Capital Fund Program	306,633
Housing Choice Vouchers	<u>1,298,092</u>
Total	<u>\$ 2,648,139</u>

NOTE N - Capital Contributions:

The Authority receives capital grants from HUD for capital fund program improvements. Capital contributions for the fiscal year ended June 30, 2016 were \$257,907.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

NOTE O - Economic Dependency:

The Authority receives approximately 87% 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 developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on the part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Authority.

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

NOTE Q - Pension Plan:

The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan (IRA-SEP plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate six months after the date of employment. The plan requires the Housing Authority to contribute 14.5% of covered wages. The Housing Authority's contributions for each employee are vested immediately. In fiscal year 2016, the Housing Authority contributed \$64,339.

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.

NOTE R - Subsequent Events:

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated the activity of the Authority through January 25, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL FINANCIAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION

JUNE 30, 2016

	Annual Contributions Contracts		
	C-853	C-853	IN009
	Low	Capital	Section 8
	Income	Fund	Vouchers
	Public	Programs	Section 8
	Housing	Programs	Vouchers
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 167,606	\$ 0	\$ 20,960
Restricted cash and cash equivalents	608,176	0	57,607
Accounts receivable, net	16,049	0	9,476
Prepaid expenses	41,629	0	1,393
Interfund	0	0	0
Inventory, net	22,337	0	0
Total Current Assets	855,797	0	89,436
<u>Capital Assets</u>			
Land and other nondepreciable assets	1,341,655	0	0
Depreciable capital assets, net	2,731,472	0	28,225
Total Capital Assets	4,073,127	0	28,225
Total Assets	4,928,924	0	117,661
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Accounts payable	35,818	0	2,269
Accrued liabilities	1,793	0	984
Interfund	169,610	0	0
Payable from restricted cash and cash equivalents:			
Tenants security deposits	48,120	0	0
Unearned revenue	363	0	0
Total Current Liabilities	255,704	0	3,253
<u>Noncurrent liabilities</u>	16,137	0	8,856
Total Liabilities	271,841	0	12,109
<u>NET POSITION</u>			
Investment in capital assets	4,073,127	0	28,225
Restricted	535,926	0	57,607
Unrestricted	48,030	0	19,720
Total Net Position	\$ 4,657,083	\$ 0	\$ 105,552

Homeless Prevention Program	State/ Local	Business Activities	Central Office Cost Center	Interfund Elimination	Total
\$ 0	\$ 93,445	\$ 150,752	\$ 22,996	\$ 0	\$ 455,759
0	5,350	0	0	0	671,133
0	0	0	0	0	25,525
0	0	0	15,720	0	58,742
0	0	120	172,080	(172,200)	0
0	0	0	0	0	22,337
<u>0</u>	<u>98,795</u>	<u>150,872</u>	<u>210,796</u>	<u>(172,200)</u>	<u>1,233,496</u>
0	32,000	442,962	31,831		1,848,448
0	240,492	115,614	85,215		3,201,018
<u>0</u>	<u>272,492</u>	<u>558,576</u>	<u>117,046</u>	<u>0</u>	<u>5,049,466</u>
<u>0</u>	<u>371,287</u>	<u>709,448</u>	<u>327,842</u>	<u>(172,200)</u>	<u>6,282,962</u>
0	2,219	0	7,776	0	48,082
0	0	0	1,188	0	3,965
0	2,590	0	0	(172,200)	0
0	5,350	0	0	0	53,470
0	0	0	0	0	363
<u>0</u>	<u>10,159</u>	<u>0</u>	<u>8,964</u>	<u>(172,200)</u>	<u>105,880</u>
<u>0</u>	<u>0</u>	<u>60,347</u>	<u>10,688</u>	<u>0</u>	<u>96,028</u>
<u>0</u>	<u>10,159</u>	<u>60,347</u>	<u>19,652</u>	<u>(172,200)</u>	<u>201,908</u>
0	272,492	558,576	117,046	0	5,049,466
0	0	0	0	0	593,533
0	88,636	90,525	191,144	0	438,055
<u>\$ 0</u>	<u>\$ 361,128</u>	<u>\$ 649,101</u>	<u>\$ 308,190</u>	<u>\$ 0</u>	<u>\$ 6,081,054</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND PROGRAM CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

	Annual Contributions		
	C-853	C-853	IN009
	Low Income Public Housing	Capital Fund Programs	Section 8 Vouchers
<u>OPERATING REVENUES</u>			
Rental income	\$ 327,688	\$ 0	\$ 0
Other income	993	0	11,455
TOTAL OPERATING REVENUE	328,681	0	11,455
<u>OPERATING EXPENSES</u>			
Administrative	577,268	0	127,805
Tenant services	6,524	0	0
Utilities	265,580	0	1,003
Ordinary maintenance and operation	473,367	0	4,690
General expense	134,762	0	2,437
Housing Assistance Payments	0	0	1,178,701
Depreciation expense	484,115	0	1,548
TOTAL OPERATING EXPENSES	1,941,616	0	1,316,184
OPERATING INCOME (LOSS)	(1,612,935)	0	(1,304,729)
<u>NONOPERATING REVENUES</u>			
Federal operating grants	1,043,414	306,633	1,298,092
Interest income	17,392	0	53
NET NONOPERATING REVENUES	1,060,806	306,633	1,298,145
CAPITAL CONTRIBUTIONS	0	257,907	0
CHANGE IN NET POSITION	(552,129)	564,540	(6,584)
TOTAL NET POSITION - BEGINNING			
OF YEAR, as originally stated	4,644,672	0	112,136
Equity transfers	564,540	(564,540)	0
TOTAL NET POSITION - BEGINNING OF YEAR	5,209,212	(564,540)	112,136
as restated	5,209,212	(564,540)	112,136
TOTAL NET POSITION - END OF YEAR	\$ 4,657,083	\$ 0	\$ 105,552

Contracts

Homeless Prevention Program	State/ Local	Business Activities	Central Office Cost Center	Interfund Elimination	Total
\$ 0	\$ 61,549	\$ 9,275	\$ 0	\$ 0	\$ 398,512
0	0	0	319,895	(319,524)	12,819
<u>0</u>	<u>61,549</u>	<u>9,275</u>	<u>319,895</u>	<u>(319,524)</u>	<u>411,331</u>
0	8,243	3,261	251,168	(319,524)	648,221
0	0	0	0	0	6,524
0	1,936	0	8,620	0	277,139
0	20,255	1,341	15,590	0	515,243
0	1,102	0	6,130	0	144,431
0	0	0	0	0	1,178,701
0	7,893	7,376	13,015	0	513,947
<u>0</u>	<u>39,429</u>	<u>11,978</u>	<u>294,523</u>	<u>(319,524)</u>	<u>3,284,206</u>
<u>0</u>	<u>22,120</u>	<u>(2,703)</u>	<u>25,372</u>	<u>0</u>	<u>(2,872,875)</u>
0	0	0	0	0	2,648,139
0	42	263	165	0	17,915
<u>0</u>	<u>42</u>	<u>263</u>	<u>165</u>	<u>0</u>	<u>2,666,054</u>
0	0	0	0	0	257,907
<u>0</u>	<u>22,162</u>	<u>(2,440)</u>	<u>25,537</u>	<u>0</u>	<u>51,086</u>
0	338,966	651,541	282,653	0	6,029,968
0	0	0	0	0	0
<u>0</u>	<u>338,966</u>	<u>651,541</u>	<u>282,653</u>	<u>0</u>	<u>6,029,968</u>
<u>\$ 0</u>	<u>\$ 361,128</u>	<u>\$ 649,101</u>	<u>\$ 308,190</u>	<u>\$ 0</u>	<u>\$ 6,081,054</u>

Housing Authority of the City of Richmond (IN009)

RICHMOND, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2016

	Project Total	2 State/Local	1 Business Activities	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$167,606	\$93,445	\$72,108	\$20,960	\$22,996	\$377,115		\$377,115
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$560,056	\$0	\$0	\$57,607	\$0	\$617,663		\$617,663
114 Cash - Tenant Security Deposits	\$48,120	\$5,350	\$0	\$0	\$0	\$53,470		\$53,470
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0		\$0
100 Total Cash	\$775,782	\$98,795	\$72,108	\$78,567	\$22,996	\$1,048,248	\$0	\$1,048,248
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$7,063	\$0	\$7,063		\$7,063
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0		\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$2,767	\$0	\$0	\$0	\$0	\$2,767		\$2,767
126 Accounts Receivable - Tenants	\$12,646	\$0	\$0	\$0	\$0	\$12,646		\$12,646
126.1 Allowance for Doubtful Accounts -Tenants	-\$1,265	\$0	\$0	\$0	\$0	-\$1,265		-\$1,265
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0		\$0
128 Fraud Recovery	\$2,113	\$0	\$0	\$2,959	\$0	\$5,072		\$5,072
128.1 Allowance for Doubtful Accounts - Fraud	-\$212	\$0	\$0	-\$546	\$0	-\$758		-\$758
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$16,049	\$0	\$0	\$9,476	\$0	\$25,525	\$0	\$25,525
131 Investments - Unrestricted	\$0	\$0	\$78,644	\$0	\$0	\$78,644		\$78,644
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$41,629	\$0	\$0	\$1,393	\$15,720	\$58,742		\$58,742
143 Inventories	\$22,337	\$0	\$0	\$0	\$0	\$22,337		\$22,337
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0		\$0
144 Inter Program Due From	\$0	\$0	\$120	\$0	\$172,080	\$172,200	-\$172,200	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0		\$0
150 Total Current Assets	\$855,797	\$98,795	\$150,872	\$89,436	\$210,796	\$1,405,696	-\$172,200	\$1,233,496
161 Land	\$861,594	\$32,000	\$442,962	\$0	\$31,831	\$1,368,387		\$1,368,387
162 Buildings	\$15,251,819	\$259,400	\$259,511	\$0	\$147,033	\$15,917,763		\$15,917,763
163 Furniture, Equipment & Machinery - Dwellings	\$292,126	\$5,610	\$4,162	\$0	\$375	\$302,273		\$302,273
164 Furniture, Equipment & Machinery - Administration	\$357,988	\$0	\$0	\$53,786	\$219,387	\$631,161		\$631,161
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0		\$0
166 Accumulated Depreciation	-\$13,170,461	-\$24,518	-\$148,059	-\$25,561	-\$281,580	-\$13,650,179		-\$13,650,179
167 Construction in Progress	\$480,061	\$0	\$0	\$0	\$0	\$480,061		\$480,061
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,073,127	\$272,492	\$558,576	\$28,225	\$117,046	\$5,049,466	\$0	\$5,049,466

171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$4,073,127	\$272,492	\$558,576	\$28,225	\$117,046	\$5,049,466	\$0	\$5,049,466
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,928,924	\$371,287	\$709,448	\$117,661	\$327,842	\$6,455,162	\$0	\$6,455,162
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$35,818	\$2,219	\$0	\$2,269	\$7,776	\$48,082		\$48,082
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0		\$0
322 Accrued Compensated Absences - Current Portion	\$1,793	\$0	\$0	\$984	\$1,188	\$3,965		\$3,965
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0		\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0		\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0		\$0
341 Tenant Security Deposits	\$48,120	\$5,350	\$0	\$0	\$0	\$53,470		\$53,470
342 Unearned Revenue	\$363	\$0	\$0	\$0	\$0	\$363		\$363
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0		\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0		\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0
347 Inter Program - Due To	\$169,610	\$2,590	\$0	\$0	\$0	\$172,200	-\$172,200	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0		\$0
310 Total Current Liabilities	\$255,704	\$10,159	\$0	\$3,253	\$8,964	\$278,080	-\$172,200	\$105,880
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0		\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0		\$0
353 Non-current Liabilities - Other	\$0	\$0	\$60,347	\$0	\$0	\$60,347		\$60,347
354 Accrued Compensated Absences - Non Current	\$16,137	\$0	\$0	\$8,856	\$10,688	\$35,681		\$35,681
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0		\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0		\$0
350 Total Non-Current Liabilities	\$16,137	\$0	\$60,347	\$8,856	\$10,688	\$96,028	\$0	\$96,028
300 Total Liabilities	\$271,841	\$10,159	\$60,347	\$12,109	\$19,652	\$374,108	-\$172,200	\$201,908
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$4,073,127	\$272,492	\$558,576	\$28,225	\$117,046	\$5,049,466		\$5,049,466
511.4 Restricted Net Position	\$535,926	\$0	\$0	\$57,607	\$0	\$593,533		\$593,533
512.4 Unrestricted Net Position	\$48,030	\$88,636	\$90,525	\$19,720	\$191,144	\$438,055		\$438,055
513 Total Equity - Net Assets / Position	\$4,657,083	\$361,128	\$649,101	\$105,552	\$308,190	\$6,081,054	\$0	\$6,081,054
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,928,924	\$371,287	\$709,448	\$117,661	\$327,842	\$6,455,162	-\$172,200	\$6,282,962

Housing Authority of the City of Richmond (IN009)

RICHMOND, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2016

	Project Total	2 State/Local	1 Business Activities	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$327,688	\$61,549	\$9,275	\$0	\$0	\$398,512		\$398,512
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0
70500 Total Tenant Revenue	\$327,688	\$61,549	\$9,275	\$0	\$0	\$398,512	\$0	\$398,512
70600 HUD PHA Operating Grants	\$1,350,046	\$0	\$0	\$1,298,092	\$0	\$2,648,138		\$2,648,138
70610 Capital Grants	\$257,907			\$0	\$0	\$257,907		\$257,907
70710 Management Fee					\$294,504	\$294,504	-\$294,504	\$0
70720 Asset Management Fee					\$0	\$0		\$0
70730 Book Keeping Fee					\$25,020	\$25,020	-\$25,020	\$0
70740 Front Line Service Fee					\$0	\$0		\$0
70750 Other Fees			\$0		\$0	\$0		\$0
70700 Total Fee Revenue					\$319,524	\$319,524	-\$319,524	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$17,392	\$42	\$263	\$53	\$165	\$17,915		\$17,915
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$622	\$0	\$622		\$622
71500 Other Revenue	\$993	\$0	\$0	\$10,833	\$371	\$12,197		\$12,197
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0		\$0
70000 Total Revenue	\$1,954,026	\$61,591	\$9,538	\$1,309,600	\$320,060	\$3,654,815	-\$319,524	\$3,335,291
91100 Administrative Salaries	\$148,608	\$0	\$0	\$75,225	\$145,905	\$369,738		\$369,738
91200 Auditing Fees	\$4,676	\$0	\$0	\$768	\$500	\$5,944		\$5,944
91300 Management Fee	\$294,504	\$0	\$0	\$0		\$294,504	-\$294,504	\$0
91310 Book-keeping Fee	\$25,020	\$0	\$0	\$0		\$25,020	-\$25,020	\$0
91400 Advertising and Marketing	\$0	\$0	\$0	\$0	\$0	\$0		\$0
91500 Employee Benefit contributions - Administrative	\$60,812	\$0	\$0	\$34,226	\$60,080	\$155,118		\$155,118
91600 Office Expenses	\$33,502	\$479	\$936	\$7,468	\$24,739	\$67,124		\$67,124
91700 Legal Expense	\$3,925	\$3,225	\$0	\$0	\$1,649	\$8,799		\$8,799
91800 Travel	\$0	\$0	\$0	\$5	\$2,504	\$2,509		\$2,509
91810 Allocated Overhead	\$0	\$0	\$0	\$0		\$0		\$0
91900 Other	\$6,220	\$4,539	\$2,325	\$1,034	\$3,430	\$17,548		\$17,548
91000 Total Operating - Administrative	\$577,267	\$8,243	\$3,261	\$118,726	\$238,807	\$946,304	-\$319,524	\$626,780
92000 Asset Management Fee	\$0	\$0	\$0	\$0		\$0		\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0		\$0
92400 Tenant Services - Other	\$6,524	\$0	\$0	\$0	\$0	\$6,524		\$6,524
92500 Total Tenant Services	\$6,524	\$0	\$0	\$0	\$0	\$6,524	\$0	\$6,524

93100 Water	\$73,855	\$58	\$0	\$73	\$480	\$74,466		\$74,466
93200 Electricity	\$105,312	\$505	\$0	\$486	\$5,668	\$111,971		\$111,971
93300 Gas	\$414	\$1,177	\$0	\$308	\$1,053	\$2,952		\$2,952
93400 Fuel	\$642	\$0	\$0	\$62	\$408	\$1,112		\$1,112
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93600 Sewer	\$85,357	\$0	\$0	\$74	\$0	\$85,431		\$85,431
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93800 Other Utilities Expense	\$0	\$196	\$0	\$0	\$1,011	\$1,207		\$1,207
93000 Total Utilities	\$265,580	\$1,936	\$0	\$1,003	\$8,620	\$277,139	\$0	\$277,139
94100 Ordinary Maintenance and Operations - Labor	\$119,988	\$0	\$0	\$0	\$0	\$119,988		\$119,988
94200 Ordinary Maintenance and Operations - Materials and Other	\$48,224	\$1,792	\$0	\$0	\$2,385	\$52,401		\$52,401
94300 Ordinary Maintenance and Operations Contracts	\$219,874	\$18,463	\$1,341	\$4,690	\$13,205	\$257,573		\$257,573
94500 Employee Benefit Contributions - Ordinary Maintenance	\$85,281	\$0	\$0	\$0	\$0	\$85,281		\$85,281
94000 Total Maintenance	\$473,367	\$20,255	\$1,341	\$4,690	\$15,590	\$515,243	\$0	\$515,243
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$36,204	\$1,102	\$0	\$0	\$529	\$37,835		\$37,835
96120 Liability Insurance	\$6,068	\$0	\$0	\$907	\$80	\$7,055		\$7,055
96130 Workmen's Compensation	\$1,928	\$0	\$0	\$1,059	\$308	\$3,295		\$3,295
96140 All Other Insurance	\$49,494	\$0	\$0	\$471	\$5,213	\$55,178		\$55,178
96100 Total insurance Premiums	\$93,694	\$1,102	\$0	\$2,437	\$6,130	\$103,363	\$0	\$103,363
96200 Other General Expenses	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96210 Compensated Absences	\$30,686	\$0	\$0	\$9,079	\$12,361	\$52,126		\$52,126
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96400 Bad debt - Tenant Rents	\$10,382	\$0	\$0	\$0	\$0	\$10,382		\$10,382
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$41,068	\$0	\$0	\$9,079	\$12,361	\$62,508	\$0	\$62,508
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,457,500	\$31,536	\$4,602	\$135,935	\$281,508	\$1,911,081	-\$319,524	\$1,591,557
97000 Excess of Operating Revenue over Operating Expenses	\$496,526	\$30,055	\$4,936	\$1,173,665	\$38,552	\$1,743,734	\$0	\$1,743,734
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$1,168,407	\$0	\$1,168,407		\$1,168,407
97350 HAP Portability-In	\$0	\$0	\$0	\$10,294	\$0	\$10,294		\$10,294
97400 Depreciation Expense	\$484,115	\$7,893	\$7,376	\$1,548	\$13,015	\$513,947		\$513,947

97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$1,941,615	\$39,429	\$11,978	\$1,316,184	\$294,523	\$3,603,729	-\$319,524	\$3,284,205
10010 Operating Transfer In	\$206,612	\$0	\$0	\$0	\$0	\$206,612	-\$206,612	\$0
10020 Operating transfer Out	-\$206,612	\$0	\$0	\$0	\$0	-\$206,612	\$206,612	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0					\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0					\$0		\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$12,411	\$22,162	-\$2,440	-\$6,584	\$25,537	\$51,086	\$0	\$51,086
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$4,644,672	\$338,966	\$651,541	\$112,136	\$282,653	\$6,029,968		\$6,029,968
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$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				\$47,945		\$47,945		\$47,945
11180 Housing Assistance Payments Equity				\$57,607		\$57,607		\$57,607
11190 Unit Months Available	3636	120	36	3095	0	6887		6887
11210 Number of Unit Months Leased	3336	120	36	3418	0	6910		6910
11270 Excess Cash	-\$137,051					-\$137,051		-\$137,051
11610 Land Purchases	\$0				\$0	\$0		\$0
11620 Building Purchases	\$257,907				\$0	\$257,907		\$257,907
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0				\$0	\$0		\$0
11660 Infrastructure Purchases	\$0				\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0	\$0		\$0

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

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, housing assistance payments and extraordinary maintenance expense from operating activities, includes investment revenue, HUD capital grants, revenue, gains and losses on the disposal of capital assets, eliminations and interest expense in operating activities, and reflects tenant revenue and bad debt expense separately, which differs from the presentation of the financial statements.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

ANNUAL CONTRIBUTION CONTRACT	PROGRAM AND ASSISTANCE TYPE	CFDA NUMBER	AWARD	EXPENDITURES
<u>U. S. DEPARTMENT OF HUD</u>				
C-853	Public & Indiana Housing	14.850	\$ 1,043,414	\$ 1,043,414
IN009VO	Housing Choice Cluster Section 8 Housing Choice Vouchers	14.871	1,298,092	1,298,092
C-853	Capital Fund Program	14.872	<u>1,623,938</u>	<u>471,877</u>
TOTAL U. S. DEPARTMENT OF HUD			<u>\$ 3,965,444</u>	<u>\$ 2,813,383</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Housing Authority of the City of Richmond under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Housing Authority of the City of Richmond, it is not intended to and does not present the financial position, changes in net position or cash flow of Housing Authority of the City of Richmond.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note A. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Housing Authority of the City of Richmond has elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

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 Richmond
58 South Fifteenth Street
Richmond, IN 47374

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 Richmond, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Richmond's basic financial statements and have issued my report thereon dated January 27, 2017.

Internal Control Over Financial Reporting

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

I noted certain matters that I reported to management of Housing Authority of the City of Richmond in a separate letter dated January 27, 2017.

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
January 27, 2017

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 Uniform Guidance

Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Richmond
58 South Fifteenth Street
Richmond, IN 47374

Report on Compliance for Each Major Federal Program

I have audited the Housing Authority of the City of Richmond's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Richmond's major federal programs for the year ended June 30, 2016. The Housing Authority of the City of Richmond'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 federal statutes, regulations, and the terms and conditions of its federal awards 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 Richmond'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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 Richmond's compliance with those requirements and performing such other procedures as we 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 Richmond's compliance.

Opinion on Each Major Federal Program

In my opinion, the Housing Authority of the City of Richmond, 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 June 30, 2016.

Other Matters

The results of my auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned cost as items 2016-001, 2016-002 and 2016-003. My opinion on each major federal program is not modified with respect to these matters.

The Housing Authority of the City of Richmond's response to the noncompliance findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Cost and/or Corrective Action Plan. The Housing Authority of the City of Richmond's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Richmond is responsible for establishing and maintaining effective internal control over the type of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Housing Authority of the City of Richmond'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 Uniform Guidance, 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 Richmond'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, I identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned cost as items 2016-001, 2016-002 and 2016-003 that I consider to be significant deficiencies.

The Housing Authority of the City of Richmond's response to the internal control over compliance finding identified in my audit are described in the accompanying Schedule of Findings and Questioned Cost and/or Corrective Action Plan. The Housing Authority of the City of Richmond's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
January 27, 2017

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

June 30, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

~ Material weakness(es) identified?

_____yes X no

~ Significant deficiency(s) identified?

_____yes X none reported

Noncompliance material to financial statements noted?

_____yes X no

FEDERAL AWARDS

Internal control over major federal programs:

~ Material weakness(es) identified?

_____yes X no

~ Significant deficiency(s) identified that are not considered to be material weakness(es)?

X yes _____ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

X yes _____ no

Identification of major programs:

CFDA Number

Name of Federal Program

14.850

Low Income Public Housing

14.872

Public Housing Capital Fund Grant Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes _____ no

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

June 30, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

PRIOR AUDIT FINDINGS

There were no Prior Year matters reported.

CURRENT YEAR FINDINGS

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2016-001

Low Rent Public Housing Unit Inspections

CURRENT
CONDITION: Inspections were not completed.

CFDA #: 14.850

CRITERIA: HUD rules and regulations require an annual inspection of the low income public housing units.

CONDITION: In a sample of 30 resident files (10%), 22 units were not inspected. The sample was not statistically valid.

EFFECT: It is not known if the units would have passed or failed the inspection.

QUESTIONED
COSTS: N/A

CAUSE: An employee position was not filled and the job did not get completed.

IDENTIFICATION
OF REPEAT
FINDING: N/A

RECOMMENDATION: Staff the position.

VIEWS OF
RESPONSIBLE
OFFICIALS: The HACR will assign other staff or contract out the past due inspections after determining which option is more financially feasible to the agency

DISCUSSED WITH: Derek White, Executive Director, November 22, 2016

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

June 30, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

CURRENT AUDIT FINDINGS

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

(Continued)

2016-002

Financial statement reporting, Auditee responsibilities, and
Internal control procedures.

CURRENT

CONDITION: There are not proper internal controls in place over financial statements. The REAC unaudited submission has material misstatements. The Auditee has not completed the financial statements and they are not ready for audit. The Authority does not review journal entries for accuracy.

CFDA #: 14.850, 14.871, 14.872

CRITERIA: HUD rules and regulations require an accurate REAC submission, proper internal controls and segregation of duties, and compliance with auditee responsibilities. Internal controls that are in place should be documented.

CONDITION: The Authority is not sufficiently checking the balance sheets and income statements throughout the year. Procedures are not in place to facilitate a monthly review. Preparation and maintenance procedures for supporting documentation are not in place. Some supporting documentation is not maintained or totaled on a regular basis. Budgeting procedures are not useful.

EFFECT: Daily and monthly errors are not detected in a timely manner. The likelihood for fraud, error or misstatement is increased. Budgets cannot be evaluated adequately.

QUESTIONED COSTS: N/A

CAUSE: The Authority does not have standardized internal control procedures and processes in place. There is no documentation that details the processes that the Finance Manager should complete on monthly, quarterly and annual basis.

IDENTIFICATION OF REPEAT FINDING: N/A

RECOMMENDATION: The Authority should develop a checklist that facilitates the checking of each account balance each month. Proper documentation for each account balance should be maintained and should be totaled and compared to the balance sheet each month.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

June 30, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

CURRENT AUDIT FINDINGS

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

(Continued)

2016-002

Financial statement reporting, Auditee responsibilities, and
Internal control procedures. (Continued)

VIEWS OF
RESPONSIBLE
OFFICIALS:

The HACR will create board approved accounting policies and procedures and the finance staff will be trained on the policies and procedures. The training will include the development of a monthly checklist to close the books accurately. Travis Couch will be responsible for the completion of this corrective action. It will be completed by April 30, 2017.

DISCUSSED WITH: Derek White, Executive Director, November 22, 2016

2016-003

Cash Disbursements documentation and Internal controls.

CURRENT
CONDITION:

The Authority lacks a method for documenting class attendance and the reason for conference attendance. Documentation that demonstrates segregation of duties is not available.

CFDA #: 14.850, 14.872

CRITERIA:

HUD rules and regulations require the following: 1. Supporting documentation to be filed behind each check voucher. 2. Proper segregation of duties. 3. review and approval process to be documented.

CONDITION:

In a sample of 40 cash disbursements, 3 lacked adequate supporting documentation. The sample was not statistically valid. There was not an adequate segregation of duties and there was no documented evidence of board approval. The checks are computer signed. There is no review or approval of journal entries. The board meeting minutes do not contain a review and approval of the disbursements or the journal entries. The Authority does not have internal control policies that are documented as functioning.

EFFECT:

Expenditures are not being thoroughly reviewed and procedures are not being documented.

QUESTIONED
COSTS:

N/A

CAUSE:

The Authority has not developed standard operating procedures for internal controls for the current environment and has not placed controls into effect.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
Richmond, Indiana

June 30, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

CURRENT AUDIT FINDINGS

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

(Continued)

2016-003

Cash Disbursements documentation and Internal controls.
(Continued)

IDENTIFICATION
OF REPEAT
FINDING:

N/A

RECOMMENDATION:

The Authority should update and revise their policies and procedures so that a useful review and approval process is documented.

VIEWS OF
RESPONSIBLE
OFFICIALS:

The HACR disagrees with this finding. All supporting documentation was provided to the auditor for the disbursements in question. The supporting documentation did confirm the disbursement was eligible and agreed to the amount of the check. All the disbursements in question are all travel related. The auditor requested additional documentation to verify the person attended the meeting or training. HACR verified all staff that traveled for official Authority business and trainings attended the meetings and training sessions.

DISCUSSED WITH:

Derek White, Executive Director, November 22, 2016



**HOUSING AUTHORITY OF
THE CITY OF RICHMOND**



58 South Fifteenth Street
Richmond, Indiana 47374
PH: (765) 966-2687
FAX/TDD: (765) 962-1143
E-Mail: hacr@hacr.comcastbiz.net

February 2, 2017

Real Estate Assessment Center (REAC)

Re: Audit Findings for IN009 FYE 2016

To Whom it may concern,

The Housing Authority of the City of Richmond (HACR) was audited on November 21st and 22nd of 2016 for the above referenced fiscal year end.

According to the Auditor, there were three (3) findings. The corrective action plan for the findings are as follows:

Finding #1 (2016-001)= Inspections were not completed.

Person responsible for correcting the finding= Derek White, Executive Director
Billie Ketron, Manager of Housing Opr (PH)

Date when finding will be corrected= All inspections will be completed on or before
May 31, 2017.

Corrective Actions to be taken= HACR will assign staff to conduct all outstanding inspections on or before the May 31, 2017 self-imposed deadline.

Finding #2 (2016-002)= HACR lacks proper internal controls.

Person responsible for correcting the finding= Derek White, Executive Director
Travis Couch, Manager of Finance

Date when finding will be corrected= An updated and revised internal control policy will be completed on or before May 31, 2017.

Corrective Actions to be taken= Review and update policies that parallel our new system of operation and that complies with HUD protocol.



The Fair Housing Act prohibits discrimination in housing because of race, color, religion, sex, national origin, age, handicap, or familial status.



Finding #3 (2006-03)= The Authority lacks method for documenting class attendance and the reason for conference attendance.

Person responsible for correcting the finding= Derek White, Executive Director

Date when finding will be corrected= Finding has been corrected.

Corrective Actions Taken= The requested documentation was provided to Auditor.

Please feel free to contact me at (765) 966-2687 if you have any further questions or need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek E. White". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Derek E. White, PHM
Executive Director