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August 30, 2017

Board of Commissioners
Bloomfield Housing Authority
100 West Main, PO Box 801
Bloomfield, IN 47424

We have reviewed the audit report prepared by Goldie Roberts, CPA, Independent Public Accountant, for the period January 1, 2016 to December 31, 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 Bloomfield Housing Authority, as of December 31, 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

BLOOMFIELD HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

Bloomfield, Indiana

December 31, 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

**BLOOMFIELD
HOUSING AUTHORITY**

**Bloomfield, Indiana
December 31, 2016**

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Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Bloomfield Housing Authority
100 W Main
Bloomfield, IN

Report on the Financial Statements

I have audited the accompanying financial statements of the Bloomfield Housing Authority ("the Authority") which comprise the Statement of Net Position as of December 31, 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 Bloomfield Housing Authority'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 Bloomfield Housing Authority as of December 31, 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 vii be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

In regard to, the Financial Data Schedule and the other supplemental information as listed in the table of contents, such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Financial Data Schedule 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 April 13, 2017 on my consideration of the Bloomfield Housing Authority'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 Bloomfield Housing Authority's internal control over financial reporting and compliance.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
April 13, 2017

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Management's Discussion and Analysis

As management of the Bloomfield Housing Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

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

Overview of the Financial Statements

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

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

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

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

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

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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016
(Continued)

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

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

Low Income Public Housing (LIPH)

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

Section 8 Housing Choice Vouchers (Section 8 Vouchers)

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

Capital Fund Grant (CFP)

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

Future Events (New Business)

There are no future events planned by the Authority that will significantly affect the Authority's Net Position either positively or negatively.

BLOOMFIELD HOUSING AUTHORITY
 Bloomfield, Indiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2016
 (Continued)

Condensed Comparative Financial Statements

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

Total Assets for FYE 2016 was \$762,716 and at FYE 2015 the amount was \$660,954. This represents a net increase of \$101,762.

Current Assets increased by \$106,540. Cash and Accounts Receivable increased due to lower expenses and higher resident rents.

Capital Assets decreased by \$4,778. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities increased by \$6,903. The change in current liabilities was due to an increase in Utilities Accrued.

Noncurrent Liabilities decreased by 7,018 due to a decrease in compensated absences.

Deferred Inflows increased due to the receipt of HUD Housing Assistance Paymenets revenue for January in December.

The table on the below illustrates our analysis:

| | 2016 | 2015 | Net Change |
|------------------------------|-------------------|-------------------|-------------------|
| Current Assets | \$ 150,004 | \$ 43,464 | \$ 106,540 |
| Capital Assets, Net | 612,712 | 617,490 | (4,778) |
| Total Assets | \$ 762,716 | \$ 660,954 | \$ 101,762 |
| Current Liabilities | \$ 80,963 | \$ 74,060 | \$ 6,903 |
| Noncurrent Liabilities | 3,974 | 10,992 | (7,018) |
| Total Liabilities | \$ 84,937 | \$ 85,052 | \$ (115) |
| Deferred Inflow of Resources | \$ 12,764 | \$ - | \$ 12,764 |
| Unrestricted | 51,134 | (41,617) | 92,751 |
| Restricted | 1,169 | 29 | 1,140 |
| Investment in Capital Assets | 612,712 | 617,490 | (4,778) |
| Total Net Position | \$ 665,015 | \$ 575,902 | \$ 89,113 |

BLOOMFIELD HOUSING AUTHORITY
 Bloomfield, Indiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2016
 (Continued)

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

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2016 were as follows:

| <u>Program</u> | <u>Revenues Generated</u> |
|---------------------------|---------------------------|
| Low Income Public Housing | 432,560 |
| Section 8 Vouchers | 172,263 |
| Capital Fund Program | 94,229 |

Total revenues for Fiscal Year Ending December 31, 2016 were \$699,052 as compared to the total revenues for Fiscal Year Ending December 31, 2015 of \$663,206. Comparatively, Fiscal Year Ending 2016 revenues increased from Fiscal Year Ending 2015 revenues by \$35,846

| | 2016 | 2015 | Net Change |
|----------------------|-------------------|-------------------|------------------|
| Total Tenant Revenue | \$ 301,131 | \$ 291,321 | \$ 9,810 |
| HUD Operating Grants | 331,885 | 327,568 | 4,317 |
| Capital Grants | 59,739 | 34,748 | 24,991 |
| Investment Income | 14 | 11 | 3 |
| Other Revenue | 6,283 | 9,558 | (3,275) |
| Total Revenue | <u>\$ 699,052</u> | <u>\$ 663,206</u> | <u>\$ 35,846</u> |

Analysis of Entity Wide Expenditures

Total Expenditures for Fiscal Year Ending December 31, 2016 were \$609,939 as compared to \$725,299 total expenditures for Fiscal Year Ending December 31, 2015. Comparatively, Fiscal Year Ending 2016 expenditures decreased from Fiscal Year Ending 2015 expenditures by \$115,360. Changes by major expense category will be presented below.

Administrative expenditures decreased by \$60,977. The major cause for this decrease was a decrease in salaries and benefits.

Tenant Services expenditures decreased by \$612 due to decreased cable costs.

BLOOMFIELD HOUSING AUTHORITY
 Bloomfield, Indiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2016
 (Continued)

Utilities decreased by \$75. Electric costs increased by \$3,333, water increased by \$5, sewer decreased by \$2,692, and gas decreased by \$721 due to the changes in utility rates.

Maintenance expenditures decreased by \$45,012. The major cause for this decrease is the decrease in salaries and benefits.

Housing Assistance Payments increased by \$347. Leased units for the Voucher Program increased by 1 units from fiscal year 2015.

The table below illustrates our analysis:

| | 2016 | 2015 | Net Change |
|-----------------------------|-------------------|-------------------|---------------------|
| Administrative | \$ 183,901 | \$ 244,878 | \$ (60,977) |
| Tenant Services | 10,037 | 10,649 | (612) |
| Utilities | 104,518 | 104,593 | (75) |
| Maintenance | 70,209 | 115,221 | (45,012) |
| General Expense | 25,674 | 27,033 | (1,359) |
| Casualty Losses | 0 | 5,495 | (5,495) |
| Housing Assistance Payments | 151,083 | 150,736 | 347 |
| Depreciation Expense | 64,517 | 66,694 | (2,177) |
| Total Expenses | \$ 609,939 | \$ 725,299 | \$ (115,360) |

Budgetary Analysis

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

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

BLOOMFIELD HOUSING AUTHORITY
 Bloomfield, Indiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2016
 (Continued)

Housing Authority Budgetary Highlights

| | Budget | Actual | Variance |
|-----------------------------|-------------------|------------------|------------------|
| Tenant Revenue | \$ 358,995 | \$ 301,131 | \$ 57,864 |
| HUD Operating Grants | 268,396 | 331,885 | (63,489) |
| HUD Capital Grants | 113,566 | 59,739 | 53,827 |
| Investment Income | 15 | 14 | 1 |
| Other Revenue | 0 | 6,283 | (6,283) |
| Total Revenue | <u>740,972</u> | <u>699,052</u> | <u>41,920</u> |
| Administrative | 190,476 | 183,901 | 6,575 |
| Tenant Services | 1,000 | 10,037 | (9,037) |
| Utilities | 116,481 | 104,518 | 11,963 |
| Maintenance | 49,640 | 70,209 | (20,569) |
| General Expense | 23,240 | 25,674 | (2,434) |
| Housing Assistance Payments | 151,083 | 151,083 | 0 |
| Depreciation Expenses | 64,517 | 64,517 | 0 |
| Total Expenses | <u>596,437</u> | <u>609,939</u> | <u>(13,502)</u> |
| Net Income/(Loss) | <u>\$ 144,535</u> | <u>\$ 89,113</u> | <u>\$ 55,422</u> |

ANALYSIS OF CAPITAL ASSET ACTIVITY

Buildings & Leasehold Improvements increased by 20,666.

Furniture, Equipment & Machinery – Dwelling increased by 3,092.

Furniture, Equipment & Machinery – Administration increased by 14,348.

Accumulated Depreciation increased by \$64,517. This is the amount of current year depreciation expense.

Construction in Progress increased by 21,633.

BLOOMFIELD HOUSING AUTHORITY
 Bloomfield, Indiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2016
 (Continued)

ANALYSIS OF CAPITAL ASSET ACTIVITY
 (Continued)

| | 2016 | 2015 | Net Change |
|--|-------------------|-------------------|-------------------|
| Land | \$ 147,934 | \$ 147,934 | \$0 |
| Buildings | 4,767,007 | 4,746,341 | 20,666 |
| Furniture, Equipment, & Machinery - Dwelling | 143,086 | 139,994 | 3,092 |
| Furniture, Equipment, & Machinery - Administrative | 245,698 | 231,350 | 14,348 |
| Construction in Process | 33,198 | 11,565 | 21,633 |
| Total Capital Assets | <u>5,336,923</u> | <u>5,277,184</u> | <u>59,739</u> |
| Accumulated Depreciation | 4,724,211 | 4,659,694 | 64,517 |
| Net Capital Assets | <u>\$ 612,712</u> | <u>\$ 617,490</u> | <u>\$ (4,778)</u> |

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, Sandra Owen, Bloomfield Housing Authority, 100 West Main Street, Bloomfield Indiana 47424.

FINANCIAL STATEMENTS

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF NET POSITION
DECEMBER 31, 2016

ASSETS

Current Assets

| | |
|--------------------------------------|----------------|
| Cash | \$ 44,680 |
| Restricted cash and cash equivalents | 34,428 |
| Accounts receivable, net | 46,749 |
| Prepaid expenses | 22,950 |
| Inventory | 1,197 |
| Current Assets | 150,004 |

Capital Assets

| | |
|--------------------------------------|----------------|
| Land and other nondepreciable assets | 181,132 |
| Depreciable capital assets, net | 431,580 |
| Total Capital Assets | 612,712 |

TOTAL ASSETS **762,716**

LIABILITIES

Current liabilities

| | |
|---|---------------|
| Accounts payable | 37,610 |
| Accrued liabilities | 11,410 |
| Payable from restricted cash and and cash equivalents: | |
| Tenants security deposits | 20,495 |
| Unearned revenue | 11,448 |
| Current liabilities | 80,963 |

Total Liabilities **80,963**

Noncurrent Liabilities

| | |
|------------------------------------|--------------|
| Accrued compensated absences | 3,974 |
| Total Long Term Liabilities | 3,974 |

Total liabilities **84,937**

Deferred inflow of resources **12,764**

NET POSITION

| | |
|------------------------------|-------------------|
| Unrestricted | 51,134 |
| Restricted | 1,169 |
| Investment in capital assets | 612,712 |
| Total Net Position | \$ 665,015 |

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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATING REVENUES

| | |
|---------------|------------|
| Rental income | \$ 301,131 |
| Other income | 6,283 |

TOTAL OPERATING REVENUE 307,414

OPERATING EXPENSES

| | |
|------------------------------------|---------|
| Administrative | 184,313 |
| Tenant services | 10,037 |
| Utilities | 104,518 |
| Ordinary maintenance and operation | 70,209 |
| General expense | 25,262 |
| Housing assistance payments | 151,083 |
| Depreciation expense | 64,517 |

TOTAL OPERATING EXPENSES 609,939

OPERATING INCOME (LOSS) (302,525)

NONOPERATING REVENUES (EXPENSES)

| | |
|--------------------------|---------|
| Federal operating grants | 331,885 |
| Interest income | 14 |

TOTAL NONOPERATING REVENUES (EXPENSES) 331,899

CAPITAL CONTRIBUTIONS 59,739

CHANGE IN NET POSITION 89,113

TOTAL NET POSITION - BEGINNING OF YEAR 575,902

TOTAL NET POSITION - END OF YEAR \$ 665,015

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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | |
|--|--------------------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | |
| Receipts from tenants and other deposits | \$ 262,808 |
| Payments to vendors | (286,483) |
| Payments to landlords | (151,083) |
| Payments to employees | (92,947) |
| Net Cash Used by Operating Activities | <u>(267,705)</u> |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | |
| Federal operating grants received | <u>331,885</u> |
| Net Cash Flows Provided by Noncapital Financing Activities | <u>331,885</u> |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u> | |
| Capital grants received | 59,739 |
| Acquisition and construction of capital assets | <u>(59,739)</u> |
| Net Cash Flows Provided (Used) by Capital and Related Financing Activities | <u>0</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | |
| Interest income | <u>14</u> |
| Net Cash Provided by Investing Activities | <u>14</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 64,194 |
| Cash - Beginning of year | <u>14,914</u> |
| Cash - End of year | \$ <u><u>79,108</u></u> |
| Reconciliation of Cash | |
| Unrestricted | \$ 44,680 |
| Restricted | <u>34,428</u> |
| Total Cash and Cash Equivalents | \$ <u><u>79,108</u></u> |

Continued

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(CONTINUED)

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

| | | |
|---|----|------------------|
| Operating income (loss) | \$ | (302,525) |
| Adjustments to reconcile net operating income (loss) to net cash Provided by operating activities: | | |
| Depreciation | | 64,517 |
| Changes in operating assets and liabilities: | | |
| (Increase) Decrease in: | | |
| Accounts receivable | | (44,606) |
| Prepaid expenses | | 907 |
| Inventory | | 1,353 |
| Increase (Decrease) in: | | |
| Accounts payable | | 26,933 |
| Accrued liabilities | | (8,783) |
| Unearned revenue | | (18,265) |
| Deferred inflow of resources | | 12,764 |
| Net Cash Flows Provided by Operating Activities | \$ | <u>(267,705)</u> |

The accompanying notes are an integral part of these financial statements

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE A - Summary of Significant Accounting Policies and Organization:

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

Reporting Entity - The entity is a 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 Bloomfield Housing Authority. There are no component units to be included herewith, but this report does include all programs which are controlled by the entity's governing body.

The financial statements of the Bloomfield Housing Authority include the following:

At December 31, 2016, the Housing Authority has 139 units under management.

| <u>Project</u> | <u>Units</u> |
|---------------------------|--------------|
| Low Income Public Housing | 92 |
| Vouchers | <u>47</u> |
| TOTAL | <u>139</u> |

The Authority is also operating Capital Fund Grant Programs.

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

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

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:

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

(Continued)

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

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

Restricted: Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted: Net position that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

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

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

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.

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 - Prepays represent payments made to vendors for services that will benefit beyond December 31, 2016.

Inventories - Inventories are valued at cost, which approximates market value, using the first-in/first/out (FIFO) method. The consumption method is applied and expense is charged when inventory items are used for the units.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

(Continued)

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

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

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

| <u>Class</u> | <u>Life</u> |
|----------------------------------|-------------|
| Buildings and improvements | 15-40 years |
| Maintenance and Office equipment | 3-7 years |

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

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

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

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

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

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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE B - Deposits, Cash and Cash Equivalents:

1. HUD Deposit Restrictions

HUD requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision.

Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

2. Risk Disclosures

A. Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At December 31, 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.

At December 31, 2016, the carrying amount of the Authority's deposits was \$79,108. The bank balances were \$99,393. The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name or by the Federal Reserve Banks acting as third party agents or by a collateralization agreement. Restricted cash consists of tenant security deposits and Section 8 HAP reserves.

Deposits consist of the following:

| | |
|-------------------|------------------|
| Checking accounts | <u>\$ 79,108</u> |
|-------------------|------------------|

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

(Continued)

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2016, consist of the following:

| | |
|--|------------------|
| Accounts receivable HUD | \$ 34,251 |
| Tenants accounts receivable - net of allowance for doubtful accounts of \$1,165 | <u>12,498</u> |
| Total | <u>\$ 46,749</u> |

NOTE D - Prepaid Expenses:

Prepaid expenses at December 31, 2016, consist of the following:

| | |
|-------------------|------------------|
| Prepaid insurance | <u>\$ 22,950</u> |
|-------------------|------------------|

NOTE E - Inventory

Inventory at December 31, 2016, consist of the following:

| | |
|-----------|-----------------|
| Inventory | <u>\$ 1,197</u> |
|-----------|-----------------|

Materials inventories are recorded at cost. The first-in first-out (FIFO) inventory flow assumption is used to determine expenses. Expenses are recorded when inventory is consumed.

NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

| | Beginning Balance <u>12/31/15</u> | Increases | Decreases | Transfers | Ending Balance <u>12/31/16</u> |
|--|---|---------------|-----------|-----------|--------------------------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 147,934 | \$ 0 | \$ 0 | \$ 0 | \$ 147,934 |
| Construction in Progress | <u>11,565</u> | <u>21,633</u> | <u>0</u> | <u>0</u> | <u>33,198</u> |
| Total Capital Assets, Not being depreciated | <u>159,499</u> | <u>21,633</u> | <u>0</u> | <u>0</u> | <u>181,132</u> |
| Capital Assets, being depreciated: | | | | | |
| Buildings & Improvements | 4,746,340 | 20,667 | 0 | 0 | 4,767,007 |
| Furniture, Equipment & Machinery | <u>371,345</u> | <u>17,439</u> | <u>0</u> | <u>0</u> | <u>388,784</u> |
| Total Capital Assets, being depreciated | <u>5,117,685</u> | <u>38,106</u> | <u>0</u> | <u>0</u> | <u>5,155,791</u> |

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE F - Capital Assets: (Continued)

| | | | | | |
|---|-------------------|--------------------|-------------|-------------|-------------------|
| Less Accumulated Depreciation for: | | | | | |
| Buildings & Improvements | (4,379,653) | (46,263) | 0 | 0 | (4,425,916) |
| Furniture, Equipment and Machinery | (280,041) | (21,254) | 0 | 0 | (301,295) |
| Total Accumulated Depreciation: | (4,659,694) | (64,517) | 0 | 0 | (4,724,211) |
| Total Capital Assets, being depreciated, net | 457,991 | (26,411) | 0 | 0 | 431,580 |
| Capital Assets, Net | <u>\$ 617,490</u> | <u>\$ (4,778)</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 612,712</u> |

Major construction renovation through the Capital Fund Grant Program costs of \$24,888 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Depreciation expense of \$66,694 was incurred during the year.

NOTE G - Accounts payable:

Accounts payable at December 31, 2016, consist of the following:

| | |
|---------------------------|------------------|
| Vendors' accounts payable | <u>\$ 37,610</u> |
|---------------------------|------------------|

NOTE H - Accrued Liabilities:

Accrued liabilities at December 31, 2016, consist of the following:

| | |
|--|------------------|
| Accrued compensated absences and payroll | <u>\$ 11,410</u> |
|--|------------------|

NOTE I - Unearned Revenue:

Unearned revenue at December 31, 2016, consists of the following:

| | |
|--|------------------|
| Prepaid rent and Capital Fund advances | <u>\$ 11,448</u> |
|--|------------------|

NOTE J - Noncurrent Liabilities:

Noncurrent liabilities at December 31, 2016, consist of the following:

Accrued compensated absences:

| <u>12/31/15</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/16</u> | <u>Current Portion</u> | <u>Total</u> |
|------------------|------------------|------------------|-----------------|----------------------------|------------------|
| <u>\$ 10,992</u> | <u>\$ 0</u> | <u>\$ 7,018</u> | <u>\$ 3,974</u> | <u>\$ 7,948</u> | <u>\$ 11,922</u> |

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE K - Federal Operating Grants:

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contracts. These subsidy contribution for the operating year ended December 31, 2016 were as follows:

| | |
|-------------------------|-------------------|
| Low Rent Public Housing | \$ 125,608 |
| Housing Choice Vouchers | 171,786 |
| Capital Fund Programs | <u>34,491</u> |
| Total | <u>\$ 331,885</u> |

NOTE L - Federal Capital Grants:

The Authority receives federal capital grants from HUD for capital fund program improvements. Capital grants recognized for the fiscal year ended December 31, 2016 were \$59,739.

NOTE M - Commitments and Contingencies:

Litigation - At December 31, 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. There was one examination during the year ended December 31, 2016.

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

Construction Projects: There are certain major construction projects in progress at December 31, 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.

NOTE N - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

NOTE O - Economic Dependency:

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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

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 - Defined Contribution Plan:

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

The Authority provides pension benefits for all its full-time employees through a defined contribution plan with MetLife. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of full-time employment. The Authority contributes an amount equal to 13.0% of the employee base salary each month. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately. The Authority's total pension contribution in fiscal year 2016 was \$12,480. Total annual payroll expense was \$96,000.

The Board of Directors has the authority to establish or amend the plan provisions. The Board of Directors has the authority to establish or amend the contributions to the plan.

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.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

NOTE R - Interprogram transfers:

A summary of interfund transfers during December 31, 2016 are as follows:

| Transfers | Transfers | |
|--------------|------------------|------------------|
| | In | Out |
| Low Rent | \$ 31,799 | \$ 0 |
| Capital Fund | 0 | 31,799 |
| Total | <u>\$ 31,799</u> | <u>\$ 31,799</u> |

NOTE S - 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 April 13, 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

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION
DECEMBER 31, 2016

| | Annual Contributions Contracts | | |
|---|--------------------------------|------------------|-------------|
| | C-603 | IN-032 | C-603 |
| | Low | | |
| | Income | Section 8 | Capital |
| | Public | Voucher | Fund |
| | Housing | Program | Programs |
| <u>ASSETS</u> | | | |
| <u>Current Assets</u> | | | |
| Cash | \$ 23,141 | \$ 21,539 | \$ 0 |
| Restricted cash and cash equivalents | 20,495 | 13,933 | 0 |
| Accounts receivable, net | 46,749 | 0 | 0 |
| Prepaid expenses | 22,950 | 0 | 0 |
| Inventory | 1,197 | 0 | 0 |
| Current Assets | 114,532 | 35,472 | 0 |
| <u>Capital Assets</u> | | | |
| Land and other nondepreciable assets | 181,132 | 0 | 0 |
| Depreciable capital assets, net | 431,580 | 0 | 0 |
| Total Capital Assets | 612,712 | 0 | 0 |
| TOTAL ASSETS | 727,244 | 35,472 | 0 |
| <u>LIABILITIES</u> | | | |
| <u>Current liabilities</u> | | | |
| Accounts payable | 37,485 | 125 | 0 |
| Accrued liabilities | 10,789 | 621 | 0 |
| Payable from restricted cash and and cash equivalents: | | | |
| Tenants security deposits | 20,495 | 0 | 0 |
| Unearned revenue | 9,930 | 1,518 | 0 |
| Current liabilities | 78,699 | 2,264 | 0 |
| <u>Noncurrent Liabilities</u> | | | |
| Accrued compensated absences | 3,664 | 310 | 0 |
| Total Long Term Liabilities | 3,664 | 310 | 0 |
| Total liabilities | 82,363 | 2,574 | 0 |
| <u>Deferred inflow or resources</u> | 0 | 12,764 | 0 |
| <u>Net Position</u> | | | |
| Unrestricted | 32,169 | 18,965 | 0 |
| Restricted | 0 | 1,169 | 0 |
| Investment in capital assets | 612,712 | 0 | 0 |
| Total Net Position | \$ 644,881 | \$ 20,134 | \$ 0 |

Total

\$ 44,680
34,428
46,749
22,950
1,197
150,004

181,132
431,580
612,712

762,716

37,610
11,410

20,495
11,448
80,963

3,974
3,974
84,937

12,764

51,134
1,169
612,712
\$ 665,015

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

| | Annual Contributions Contracts | | |
|--|------------------------------------|---------------------------------|-----------------------------|
| | C-603 | IN-032 | C-603 |
| | Low Income Public Housing | Section 8 Voucher Program | Capital Fund Programs |
| <u>OPERATING REVENUES</u> | | | |
| Rental income | \$ 301,131 | \$ 0 | \$ 0 |
| Other income | 5,812 | 471 | 0 |
| TOTAL OPERATING REVENUE | 306,943 | 471 | 0 |
| <u>OPERATING EXPENSES</u> | | | |
| Administrative | 174,958 | 9,355 | 0 |
| Tenant services | 10,037 | 0 | 0 |
| Utilities | 104,518 | 0 | 0 |
| Ordinary maintenance and operation | 70,209 | 0 | 0 |
| General expense | 25,262 | 0 | 0 |
| Housing assistance payments | 0 | 151,083 | 0 |
| Depreciation expense | 64,517 | 0 | 0 |
| TOTAL OPERATING EXPENSES | 449,501 | 160,438 | 0 |
| OPERATING INCOME (LOSS) | (142,558) | (159,967) | 0 |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | | |
| Federal operating grants | 125,608 | 171,786 | 34,491 |
| Interest income | 8 | 6 | 0 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | 125,616 | 171,792 | 34,491 |
| CAPITAL CONTRIBUTIONS | 0 | 0 | 59,739 |
| CHANGE IN NET POSITION | (16,942) | 11,825 | 94,230 |
| TOTAL NET POSITION - BEGINNING OF YEAR, as originally stated | 567,593 | 8,309 | 0 |
| Equity transfers | 94,230 | 0 | (94,230) |
| TOTAL NET POSTIIION - BEGINNING OF YEAR, as restated | 661,823 | 8,309 | (94,230) |
| TOTAL NET POSITION - END OF YEAR | \$ 644,881 | \$ 20,134 | \$ 0 |

Total

\$ 301,131
6,283
307,414

184,313
10,037
104,518
70,209
25,262
151,083
64,517

609,939

(302,525)

331,885
14

331,899

59,739

89,113

575,902

0

575,902

\$ 665,015

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS - COMPLETED
DECEMBER 31, 2016

Annual Contributions Contract C-603

501-15

1. The Capital Fund Grant Costs are as follows:

| | | |
|--|----|-----------------|
| Funds Approved | \$ | 86,099 |
| Funds Expended | | <u>86,099</u> |
| Excess / (Deficiency) of Funds Approved | \$ | <u><u>0</u></u> |
| Funds Advanced | \$ | 86,099 |
| Funds Expended | | <u>86,099</u> |
| Excess / (Deficiency) of Funds Advanced | \$ | <u><u>0</u></u> |

2. Costs additions totaling \$ 24,888 were made during the current audit period and, accordingly, were audited by Goldie Roberts, CPA.
3. The total amount of the Capital Fund Grant Costs at December 31, 2016 as shown above are in agreement with the Actual Development Cost Certificate submitted to HUD and approved by HUD.
4. All Capital Fund grant work in connection with the Project has been completed.
5. All liabilities have been paid and there are no undischarged liens against the Project on file in any public office where the same should be filed in order to be valid and the time in which such liens could be filed has expired.
6. There were no budget overruns.

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

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2016

| | Project Total | 14,871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---------------|-----------------------------------|--------------|------|--------------|
| 111 Cash - Unrestricted | \$13,211 | \$21,539 | \$34,750 | | \$34,750 |
| 112 Cash - Restricted - Modernization and Development | | | | | |
| 113 Cash - Other Restricted | | \$13,933 | \$13,933 | | \$13,933 |
| 114 Cash - Tenant Security Deposits | \$20,495 | | \$20,495 | | \$20,495 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$9,930 | | \$9,930 | | \$9,930 |
| 100 Total Cash | \$43,636 | \$35,472 | \$79,108 | \$0 | \$79,108 |
| 121 Accounts Receivable - PHA Projects | | | | | |
| 122 Accounts Receivable - HUD Other Projects | \$34,251 | | \$34,251 | | \$34,251 |
| 124 Accounts Receivable - Other Government | | | | | |
| 125 Accounts Receivable - Miscellaneous | | | | | |
| 126 Accounts Receivable - Tenants | \$13,663 | | \$13,663 | | \$13,663 |
| 126.1 Allowance for Doubtful Accounts -Tenants | -\$1,165 | | -\$1,165 | | -\$1,165 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | | \$0 | | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | |
| 128 Fraud Recovery | | | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | | |
| 129 Accrued Interest Receivable | | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$46,749 | \$0 | \$46,749 | \$0 | \$46,749 |
| 131 Investments - Unrestricted | | | | | |
| 132 Investments - Restricted | | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | | |
| 142 Prepaid Expenses and Other Assets | \$22,950 | | \$22,950 | | \$22,950 |
| 143 Inventories | \$1,197 | | \$1,197 | | \$1,197 |
| 143.1 Allowance for Obsolete Inventories | \$0 | | \$0 | | \$0 |
| 144 Inter Program Due From | | | | | |
| 145 Assets Held for Sale | | | | | |
| 150 Total Current Assets | \$114,532 | \$35,472 | \$150,004 | \$0 | \$150,004 |
| 161 Land | \$147,934 | | \$147,934 | | \$147,934 |
| 162 Buildings | \$4,767,007 | | \$4,767,007 | | \$4,767,007 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$143,086 | | \$143,086 | | \$143,086 |
| 164 Furniture, Equipment & Machinery - Administration | \$245,698 | | \$245,698 | | \$245,698 |
| 165 Leasehold Improvements | | | | | |
| 166 Accumulated Depreciation | -\$4,724,211 | | -\$4,724,211 | | -\$4,724,211 |
| 167 Construction in Progress | \$33,198 | | \$33,198 | | \$33,198 |
| 168 Infrastructure | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$612,712 | \$0 | \$612,712 | \$0 | \$612,712 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | | | |
| 173 Grants Receivable - Non Current | | | | | |
| 174 Other Assets | | | | | |
| 176 Investments in Joint Ventures | | | | | |
| 180 Total Non-Current Assets | \$612,712 | \$0 | \$612,712 | \$0 | \$612,712 |
| 200 Deferred Outflow of Resources | | | | | |
| 290 Total Assets and Deferred Outflow of Resources | \$727,244 | \$35,472 | \$762,716 | \$0 | \$762,716 |
| 311 Bank Overdraft | | | | | |
| 312 Accounts Payable <= 90 Days | \$2,509 | \$125 | \$2,634 | | \$2,634 |
| 313 Accounts Payable >90 Days Past Due | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | \$3,462 | | \$3,462 | | \$3,462 |
| 322 Accrued Compensated Absences - Current Portion | \$7,327 | \$621 | \$7,948 | | \$7,948 |
| 324 Accrued Contingency Liability | | | | | |

| | | | | | | |
|-------|---|-----------|----------|-----------|-----|-----------|
| 325 | Accrued Interest Payable | | | | | |
| 331 | Accounts Payable - HUD PHA Programs | | | | | |
| 332 | Account Payable - PHA Projects | | | | | |
| 333 | Accounts Payable - Other Government | | | | | |
| 341 | Tenant Security Deposits | \$20,495 | | \$20,495 | | \$20,495 |
| 342 | Unearned Revenue | \$9,930 | \$1,518 | \$11,448 | | \$11,448 |
| 343 | Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | | | | | |
| 344 | Current Portion of Long-term Debt - Operating Borrowings | | | | | |
| 345 | Other Current Liabilities | | | | | |
| 346 | Accrued Liabilities - Other | \$34,976 | | \$34,976 | | \$34,976 |
| 347 | Inter Program - Due To | | | | | |
| 348 | Loan Liability - Current | | | | | |
| 310 | Total Current Liabilities | \$78,699 | \$2,264 | \$80,963 | \$0 | \$80,963 |
| 351 | Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | | | | |
| 352 | Long-term Debt, Net of Current - Operating Borrowings | | | | | |
| 353 | Non-current Liabilities - Other | | | | | |
| 354 | Accrued Compensated Absences - Non Current | \$3,664 | \$310 | \$3,974 | | \$3,974 |
| 355 | Loan Liability - Non Current | | | | | |
| 356 | FASB 5 Liabilities | | | | | |
| 357 | Accrued Pension and OPEB Liabilities | | | | | |
| 350 | Total Non-Current Liabilities | \$3,664 | \$310 | \$3,974 | \$0 | \$3,974 |
| 300 | Total Liabilities | \$82,363 | \$2,574 | \$84,937 | \$0 | \$84,937 |
| 400 | Deferred Inflow of Resources | | \$12,764 | \$12,764 | | \$12,764 |
| 508.4 | Net Investment in Capital Assets | \$612,712 | \$0 | \$612,712 | | \$612,712 |
| 511.4 | Restricted Net Position | \$0 | \$1,169 | \$1,169 | | \$1,169 |
| 512.4 | Unrestricted Net Position | \$32,169 | \$18,965 | \$51,134 | | \$51,134 |
| 513 | Total Equity - Net Assets / Position | \$644,881 | \$20,134 | \$665,015 | \$0 | \$665,015 |
| 600 | Total Liabilities, Deferred inflows of Resources and Equity - Net | \$727,244 | \$35,472 | \$762,716 | \$0 | \$762,716 |

**Bloomfield Housing Authority (IN032)
BLOOMFIELD, IN**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2016

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---------------|-----------------------------------|-----------|------|-----------|
| 70300 Net Tenant Rental Revenue | \$270,034 | | \$270,034 | | \$270,034 |
| 70400 Tenant Revenue - Other | \$31,097 | | \$31,097 | | \$31,097 |
| 70500 Total Tenant Revenue | \$301,131 | \$0 | \$301,131 | \$0 | \$301,131 |
| 70600 HUD PHA Operating Grants | \$160,099 | \$171,786 | \$331,885 | | \$331,885 |
| 70610 Capital Grants | \$59,739 | | \$59,739 | | \$59,739 |
| 70710 Management Fee | | | | | |
| 70720 Asset Management Fee | | | | | |
| 70730 Book Keeping Fee | | | | | |
| 70740 Front Line Service Fee | | | | | |
| 70750 Other Fees | | | | | |
| 70700 Total Fee Revenue | | | \$0 | \$0 | \$0 |
| 70800 Other Government Grants | | | | | |
| 71100 Investment Income - Unrestricted | \$8 | \$6 | \$14 | | \$14 |
| 71200 Mortgage Interest Income | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | |
| 71310 Cost of Sale of Assets | | | | | |
| 71400 Fraud Recovery | | | | | |
| 71500 Other Revenue | \$5,812 | \$471 | \$6,283 | | \$6,283 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | |
| 72000 Investment Income - Restricted | | | | | |
| 70000 Total Revenue | \$526,789 | \$172,263 | \$699,052 | \$0 | \$699,052 |
| 91100 Administrative Salaries | \$79,330 | \$8,308 | \$87,638 | | \$87,638 |
| 91200 Auditing Fees | \$5,871 | | \$5,871 | | \$5,871 |
| 91300 Management Fee | | | | | |
| 91310 Book-keeping Fee | | | | | |
| 91400 Advertising and Marketing | | | | | |
| 91500 Employee Benefit contributions - Administrative | \$62,596 | \$635 | \$63,231 | | \$63,231 |
| 91600 Office Expenses | \$4,396 | | \$4,396 | | \$4,396 |
| 91700 Legal Expense | | | | | |
| 91800 Travel | \$35 | | \$35 | | \$35 |
| 91810 Allocated Overhead | | | | | |
| 91900 Other | \$22,730 | | \$22,730 | | \$22,730 |
| 91000 Total Operating - Administrative | \$174,958 | \$8,943 | \$183,901 | \$0 | \$183,901 |
| 92000 Asset Management Fee | | | | | |
| 92100 Tenant Services - Salaries | | | | | |
| 92200 Relocation Costs | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | |
| 92400 Tenant Services - Other | \$10,037 | | \$10,037 | | \$10,037 |
| 92500 Total Tenant Services | \$10,037 | \$0 | \$10,037 | \$0 | \$10,037 |
| 93100 Water | \$3,837 | | \$3,837 | | \$3,837 |
| 93200 Electricity | \$55,128 | | \$55,128 | | \$55,128 |
| 93300 Gas | \$16,987 | | \$16,987 | | \$16,987 |
| 93400 Fuel | | | | | |
| 93500 Labor | | | | | |
| 93600 Sewer | \$28,566 | | \$28,566 | | \$28,566 |
| 93700 Employee Benefit Contributions - Utilities | | | | | |
| 93800 Other Utilities Expense | | | | | |
| 93000 Total Utilities | \$104,518 | \$0 | \$104,518 | \$0 | \$104,518 |
| 94100 Ordinary Maintenance and Operations - Labor | \$5,309 | | \$5,309 | | \$5,309 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$17,100 | | \$17,100 | | \$17,100 |
| 94300 Ordinary Maintenance and Operations Contracts | \$47,394 | | \$47,394 | | \$47,394 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$406 | | \$406 | | \$406 |
| 94000 Total Maintenance | \$70,209 | \$0 | \$70,209 | \$0 | \$70,209 |

| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| 95100 Protective Services - Labor | | | | | |
| 95200 Protective Services - Other Contract Costs | | | | | |
| 95300 Protective Services - Other | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | \$16,044 | | \$16,044 | | \$16,044 |
| 96120 Liability Insurance | \$3,031 | | \$3,031 | | \$3,031 |
| 96130 Workmen's Compensation | \$2,687 | | \$2,687 | | \$2,687 |
| 96140 All Other Insurance | \$400 | | \$400 | | \$400 |
| 96100 Total Insurance Premiums | \$22,162 | \$0 | \$22,162 | \$0 | \$22,162 |
| 96200 Other General Expenses | | | | | |
| 96210 Compensated Absences | | \$412 | \$412 | | \$412 |
| 96300 Payments in Lieu of Taxes | | | | | |
| 96400 Bad debt - Tenant Rents | \$3,100 | | \$3,100 | | \$3,100 |
| 96500 Bad debt - Mortgages | | | | | |
| 96600 Bad debt - Other | | | | | |
| 96800 Severance Expense | | | | | |
| 96000 Total Other General Expenses | \$3,100 | \$412 | \$3,512 | \$0 | \$3,512 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | | | |
| 96730 Amortization of Bond Issue Costs | | | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$384,984 | \$9,355 | \$394,339 | \$0 | \$394,339 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$141,805 | \$162,908 | \$304,713 | \$0 | \$304,713 |
| 97100 Extraordinary Maintenance | | | | | |
| 97200 Casually Losses - Non-capitalized | | | | | |
| 97300 Housing Assistance Payments | | \$151,083 | \$151,083 | | \$151,083 |
| 97350 HAP Portability-In | | | | | |
| 97400 Depreciation Expense | \$64,517 | | \$64,517 | | \$64,517 |
| 97500 Fraud Losses | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | |
| 90000 Total Expenses | \$449,501 | \$160,438 | \$609,939 | \$0 | \$609,939 |
| 10010 Operating Transfer In | \$31,799 | | \$31,799 | -\$31,799 | \$0 |
| 10020 Operating transfer Out | -\$31,799 | | -\$31,799 | \$31,799 | \$0 |
| 10030 Operating Transfers from/to Primary Government | | | | | |
| 10040 Operating Transfers from/to Component Unit | | | | | |
| 10050 Proceeds from Notes, Loans and Bonds | | | | | |
| 10060 Proceeds from Property Sales | | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | | | |
| 10080 Special Items (Net Gain/Loss) | | | | | |
| 10091 Inter Project Excess Cash Transfer In | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | | | |
| 10093 Transfers between Program and Project - In | | | | | |
| 10094 Transfers between Project and Program - Out | | | | | |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$77,288 | \$11,825 | \$89,113 | \$0 | \$89,113 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | | \$0 |
| 11030 Beginning Equity | \$567,593 | \$8,309 | \$575,902 | | \$575,902 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$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 | | \$18,965 | \$18,965 | | \$18,965 |

| | | | | |
|--|-----------|---------|-----------|-----------|
| 11180 Housing Assistance Payments Equity | | \$1,169 | \$1,169 | \$1,169 |
| 11190 Unit Months Available | 1104 | 560 | 1664 | 1664 |
| 11210 Number of Unit Months Leased | 1003 | 448 | 1451 | 1451 |
| 11270 Excess Cash | -\$20,171 | | -\$20,171 | -\$20,171 |
| 11610 Land Purchases | \$0 | | \$0 | \$0 |
| 11620 Building Purchases | \$42,299 | | \$42,299 | \$42,299 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$3,092 | | \$3,092 | \$3,092 |
| 11640 Furniture & Equipment - Administrative Purchases | \$14,348 | | \$14,348 | \$14,348 |
| 11650 Leasehold Improvements Purchases | \$0 | | \$0 | \$0 |
| 11660 Infrastructure Purchases | \$0 | | \$0 | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | | \$0 | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | | \$0 | \$0 |

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 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 and interest expense in operating activities, and reflects tenant revenue and bad debt expense separately, which differs from the presentation of the financial statements.

OTHER REPORTS

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

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

Independent Auditor's Report

Board of Commissioners
Bloomfield Housing Authority
100 W Main
Bloomfield, IN

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bloomfield Housing Authority, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Bloomfield Housing Authority's basic financial statements and have issued my report thereon dated April 13, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bloomfield Housing Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
April 13, 2017

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

DECEMBER 31, 2016

SCHEDULE OF FINDINGS AND RESPONSES

PRIOR YEAR FINDINGS

There were no Prior Year matters reported.

CURRENT YEAR FINDINGS

No matters were reported.

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

Telephone No. (812) 472-3527

Facsimile No. (812) 472-3649

Mobile No. (404) 307-5903

April 13, 2017

Board of Commissioners
Bloomfield Housing Authority
100 W Main
Bloomfield, IN

In planning and performing my audit of the financial statements of the Bloomfield Housing Authority as of and for the year ended December 31, 2016. I considered the Authority's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during my audit, I became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect my report dated April 13, 2017 on the financial statements of the Authority.

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

1. CONDITION: OVERBUDGET - LOW RENT

The Authority is over budget \$13,162 or 4%.

RECOMMENDATION:

The Authority should monitor the budget and file a revision if needed.

2. CONDITION: PROCUREMENT

The Authority does not have a policy that is in accordance with 2 CFR 200.

RECOMMENDATION:

The Authority should adopt a policy and follow it.

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

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

Sincerely,



Goldie Roberts
Certified Public Accountant