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November 14, 2018

Board of Directors
Columbus Housing Authority
799 McClure Road
Columbus, IN 47201

We have reviewed the audit report opined upon by Barry Gaudette, CPA, Independent Public Accountant, for the period July 1, 2017 to June 30, 2018. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of the Columbus Housing Authority as of June 30, 2018, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018
AND
REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

COLUMBUS HOUSING AUTHORITY
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INTRODUCTION

Independent Auditor's Report

Board of Commissioners
Columbus Housing Authority
Columbus, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Columbus Housing Authority, Indiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Columbus Housing Authority, Indiana's basic 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 we 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 entity'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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Columbus Housing Authority, Indiana, as of June 30, 2018, and the respective 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 4 to 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbus Housing Authority, Indiana's basic financial statements. The combining statements and the financial data schedule shown on pages 31 to 34 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining statements, financial data schedule and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, financial data schedule and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2018, on our consideration of the Columbus Housing Authority, Indiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Columbus Housing Authority, Indiana's 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 the Columbus Housing Authority, Indiana's internal control over financial reporting and compliance.

Barry E. Gaudette, CPA, PC

November 1, 2018

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2018
(Unaudited)

As management of the Housing Authority of the City of Columbus ("Authority"), we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Housing Authority's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,755,408.
- The Housing Authority's cash and investment balance at June 30, 2018 was \$1,585,536 representing a decrease of \$2,251 from June 30, 2017.
- Department of Housing & Urban Development grants amounting to \$3,721,533 were reported as revenues, an increase of \$388,175 over the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Housing Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis –for State and Local Governments*, Statement No. 37, *Basic Financial Statements-and Managements Discussion and Analysis-For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures and Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

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

The *statement of net position* presents information on all of the Housing Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the Housing Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation leave).

The basic financial statements can be found on pages 9 to 12 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 13 to 22 of this report.

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2018
(Continued)

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets exceeded liabilities by \$6,755,408 at the close of the most recent fiscal year.

By far, the largest portion of the Housing Authority's net assets reflects its investment in capital assets (e.g., land, buildings, furniture, equipment and machinery); less any related debt used to acquire those assets that is still outstanding. The Housing Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Columbus Housing Authority – Net Position
June 30, 2018

ASSETS	2018	2017	Change
Current Assets	\$ 1,629,891	\$ 1,634,844	\$ (4,953)
Capital Assets (Net)	5,420,743	5,551,682	(130,939)
Total Assets	7,050,634	7,186,526	(135,892)
LIABILITIES			
Current Liabilities	160,263	177,017	(16,754)
Long Term Liabilities	134,963	138,870	(3,907)
Total Liabilities	295,226	315,887	(20,661)
NET ASSETS			
Investment Cap Assets	5,420,743	5,551,682	(130,939)
Unrestricted	1,181,500	1,127,373	54,127
Restricted	153,165	191,584	(38,419)
Total Net Position	\$ 6,755,408	\$ 6,870,639	\$ (115,231)

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2018
(Continued)

FINANCIAL ANALYSIS (Continued)

Columbus Housing Authority – Changes in Net Position

For the Year Ended June 30, 2018

OPERATING REVENUE	2018	2017	Change
Dwelling Rental	\$ 357,575	\$ 351,624	\$ 5,951
Tenant Revenue - Other	28,516	35,959	(7,443)
Total Operating Revenue	386,091	387,583	(1,492)

OPERATING EXPENSES	2018	2017	Change
Administration	633,999	607,450	26,549
Tenant Services	42,872	41,788	1,084
Utilities	68,554	58,675	9,879
Ordinary Maintenance & Operations	284,117	269,897	14,220
General	152,026	148,510	3,516
Net Operating Expenses	1,181,568	1,126,320	55,248
Operating Income (Loss)	(795,477)	(738,737)	(56,740)

NON-OPERATING INCOME (EXPENSES)	2018	2017	Change
HUD Grants	3,721,533	3,333,358	388,175
Interest on Investments	9,291	1,567	7,724
Other Revenue	188,661	104,558	84,103
Other Expense	(3,239,239)	(2,846,316)	(392,923)
Net Non-Operating Income	680,246	593,167	87,079

**Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2018
(Continued)**

FINANCIAL ANALYSIS (Continued)

NET ASSETS	2018	2017	Change
Beginning of Year	6,870,639	7,016,209	(145,570)
Prior Period Adjustments	0	0	0
End of Year	\$ 6,755,408	6,870,639	\$ (115,231)

BUDGETS

The Housing Authority is required by contractual agreements to adopt annual, appropriated budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS	2018	2017
Land	\$ 3,360,190	\$ 3,360,190
Buildings	6,654,156	6,515,781
Furniture, Equipment & Machinery		
Dwellings	0	0
Administrative	143,883	122,033
Leasehold Improvements	0	0
Construction in Progress	56,187	114,640
Less Accumulated Depreciation	(4,793,673)	(4,560,962)
Net Capital Assets	\$ 5,420,743	\$ 5,551,682

FUTURE EVENTS (NEW BUSINESS)

Additionally, the Housing Authority plans on using capital funds to make misc. renovations to our properties and buildings. These budgeted amounts total \$197,693.

**Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2018
(Continued)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Housing Authority received \$298,143 in operating subsidy for fiscal year end June 30, 2018. We have not been notified as to our subsidy eligibility for fiscal year end June 30, 2019, but estimate we will receive approximately \$280,440 in operating subsidy for fiscal year end June 30, 2019. The Authority budgeted \$120,000 in operations (1406 Operations) from the FFY 2018 capital funds and budgeted \$120,000 in operations (1406 Operations) from the FFY 2019 capital funds.

The Housing Authority received \$23,837 less in operating subsidy from HA fiscal year 2018 than in 2017. In the Low Rent program the Housing Authority closed out FYE June 30, 2018 with a \$101,541 gain which includes both Low Rent and CFP, exclusive of prior year adjustments and depreciation.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in the Housing 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, Columbus Housing Authority, 799 McClure Road, Columbus, Indiana 47201.

FINANCIAL STATEMENTS

Columbus Housing Authority
Statement of Net Position
June 30, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,585,536
Accounts receivable-tenants, net	5,139
Prepaid expenses	39,216
Total Current Assets	1,629,891

Capital Assets:

Land	3,360,190
Buildings	6,654,156
Equipment	143,883
Construction in Progress	56,187
	10,214,416
Less: accumulated depreciation	(4,793,673)
Net Capital Assets	5,420,743

Total Assets	\$ 7,050,634
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LIABILITIES and NET POSITION

Current Liabilities:

Accounts payable	\$ 65,741
Accrued expenses	49,830
Tenant security deposit liability	39,715
Unearned revenue	4,977
Total Current Liabilities	160,263

Non-Current Liabilities:

Accrued compensated absences	52,146
Non-Current Liabilities - other	82,817
	134,963

Total Non-Current Liabilities	134,963
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Total Liabilities	295,226
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Net Position:

Net investment in capital assets	5,420,743
Restricted net position	153,165
Unrestricted net position	1,181,500
Total Net Position	6,755,408

Total Liabilities and Net Position	\$ 7,050,634
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See notes to financial statements

**Columbus Housing Authority
Statement of Revenues, Expenses, And
Changes in Net Position
Year Ended June 30, 2018**

OPERATING REVENUES:	
Dwelling rent	\$ 386,091
Operating grants	<u>3,641,611</u>
Total operating revenues	<u>4,027,702</u>
OPERATING EXPENSES:	
Administrative	633,999
Tenant services	42,872
Utilities	68,554
Maintenance	284,117
Insurance	62,097
General expenses	89,929
Extraordinary maintenance	45,866
Housing assistance payments	2,915,344
HAP Portability-In	45,317
Depreciation	<u>232,712</u>
Total operating expenses	<u>4,420,807</u>
Operating income (loss)	<u>(393,105)</u>
NONOPERATING REVENUES:	
Investment interest income - Unrestricted	8,588
Investment interest income - Restricted	703
Fraud recovery	4,426
Other revenue	<u>184,235</u>
Total non operating revenues	<u>197,952</u>
CAPITAL CONTRIBUTIONS	
Change in net position	<u>79,922</u>
Change in net position	(115,231)
Net Position, beginning	<u>6,870,639</u>
Net Position, ending	<u>\$ 6,755,408</u>

See notes to financial statements

**Columbus Housing Authority
Statement of Cash Flows
Year Ended June 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from dwelling and non dwelling rents	\$ 344,368
Cash received from operating grants	3,641,611
Cash payments to other suppliers of goods and services	(3,493,043)
Cash payments to employees for services	(673,141)
Cash payments for payments in lieu of taxes	<u>(890)</u>
Net cash (used) by operating activities	<u>(181,095)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Fraud recovery	3,355
Tenant security deposits	<u>1,650</u>
Net cash provided by noncapital financing activities	<u>5,005</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING	
Payments for capital acquisitions	(75,471)
Disposal of property	(24,138)
Capital grants	<u>79,922</u>
Net cash (used) by capital and related financing activities	<u>(19,687)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Other revenue	184,235
Receipts of interest income - unrestricted	8,588
Receipts of interest income - restricted	<u>703</u>
Net cash provided by investing activities	<u>193,526</u>
Net increase (decrease) in cash	(2,251)
Cash and cash equivalents, beginning	<u>1,587,787</u>
Cash and cash equivalents, ending	<u><u>\$ 1,585,536</u></u>

See notes to financial statements

Columbus Housing Authority
Statement of Cash Flows (Continued)
Year Ended June 30, 2018

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income (loss)	\$	(393,105)
Adjustments to reconcile operating (loss) to net cash provided (used)		
By operating activities:		
Depreciation		232,712
Allowance for doubtful accounts		(1,437)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable-tenants		721
Prepaid expenses		(468)
Increase (decrease) in liabilities:		
Accounts payable-trade		25,168
Accrued wages/payroll taxes payable		(1,512)
PILOT		(890)
Accrued compensated absences		2,415
Accrued liabilities - other		145
Unearned revenue		(41,007)
Non-current liabilities – other		(3,837)
		<hr/>
Net cash (used) by operating activities	\$	<u>(181,095)</u>

See notes to financial statements

Columbus Housing Authority
Notes to Financial Statements
June 30, 2018

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Columbus Housing Authority (“CHA” or “Housing Authority”) is an independent municipal entity created by the City of Columbus in on December 18, 1972 pursuant to Indiana state law and the National Housing Act of 1937. Although the Housing Authority maintains close ties with the City of Columbus in several respects, the Housing Authority is not a component unit of the City, as defined by the Governmental Accounting Standards Board, since the City is not financially accountable for the operations of the Housing Authority, and has no responsibility to fund its deficits or receive its surpluses. The Housing Authority operates under a Board of Commissioner form of government to provide safe and decent housing for eligible low and moderate income families and elderly individuals. The Board is comprised of eight members, all City residents, appointed by the City Mayor. The Board appoints an Executive Director who acts as the Secretary of the Housing Authority.

1. Reporting Entity

The Housing Authority’s financial statements include the accounts of all of the Housing Authority’s operations. The Housing Authority maintains its accounting records by program and operates the following programs:

Low Income Public Housing

This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Housing Authority. These units are rented to low income families and low income elderly, disabled, and special needs individuals. The properties were constructed with grants and/or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Housing Authority receives grants from HUD to subsidize operating costs. Tenants are charged rents based on a percentage of their incomes. HUD subsidizes 157 federal public housing units through this program.

Public Housing Capital Fund

HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Housing Authority under the Low Income Public Housing Program. A designated portion of these funds may also be used to support operations and to make improvements in the management and operation of the Housing Authority’s Low Income Public Housing Program.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Section 8 Housing Choice Vouchers

HUD provides grants to the Housing Authority to subsidize rents paid by low income families and issued vouchers affording them choices in renting from private landlords. The Housing Authority subsidizes the landlord for the differences between the rent requested and the tenant's share of the rent not to exceed a predetermined payment standard. This program provided rental assistance to approximately 537 families and individuals this year.

Disaster Voucher Program

HUD funds provided temporary rent subsidy assistance for certain individuals and families displaced by Hurricane Katrina. The program is no longer active, but unspent funding remains available.

Supportive Housing for Persons with Disabilities

HUD provides grants to the Housing Authority to subsidize rents for individuals and families with disabilities. HUD provides issued mainstream vouchers affording them choices in renting from private landlords. The Housing Authority subsidizes the landlord for the differences between the rent requested and the tenant's share of the rent not to exceed a predetermined payment standard. This program provided rental assistance to approximately 75 families and individuals this year.

PIH Family Self-Sufficiency Program

Family Self-Sufficiency (FSS) is a program administered by The Housing Authority of the City of Columbus, Indiana and is federally funded through the Department of Housing and Urban Development (HUD). FSS is a voluntary program. The goal of an FSS family is to attain economic security and self-sufficiency by or before the end of the Contract of Participation. FSS includes a financial incentive through the establishment of an escrow account.

State and Local

This program represents the Family Self Sufficiency Direct Assistance program. Funds represent donations from individuals and organizations within Columbus' community to assist FSS participants with living expenses such as car repairs, insurance, rent assistance, and tuition assistance.

Business Activities

This program represents management fees earned by the Housing Authority for managing Heritage Woods Phase II, L.P. Tax Credit. The Housing Authority earns annual management fees for managing 22 units for Columbus Housing Finance Corporation.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government. For the most part, interfund activity has been eliminated in the preparation of these statements.

The Housing Authority is a special-purpose government entity engaged only in business-type activities and, as such, the financial statements are presented as a single enterprise fund.

3. Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Housing Authority are charges to customers for rents. 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.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the nonoperating revenue and expense.

If/when, both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgets and Budgetary Accounting

The Housing Authority adopts a formal operating budget each year for its operating programs and on a project-length basis for its capital expenditures, which are approved by the board of Commissioners and submitted to the U.S. Department of Housing and Urban Development for their approval, if required.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts. The cash equivalents are recorded at cost, which approximates market.

7. Tenant Accounts Receivable and Allowance for Bad Debts

Accounts receivable have been adjusted for all known uncollectible accounts.

8. Prepaid Expenses

Prepaid expenditures, such as insurance premiums and deferred costs, which are expected to be written off within the next fiscal year, are included in net current assets.

9. Compensated Absences

Housing Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days according to contract or personnel policies. In the event of termination by retirement or death, an employee is paid for accumulated sick days according to contract or personnel policies.

10. Inter-Program Activity

During the course of operations, transactions occur within individual programs that may result in amounts owed or transfers between programs. Offsetting inter-program receivables and payables as well as offsetting inter-program transfers are eliminated for financial statement presentation. For the year ended June 30, 2018, there was \$3,907 in inter-program receivables and payables due from the Supportive Housing for Persons with Disabilities Program to the Housing Choice Vouchers Program, and there was \$121,476 in operating transfers.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Buildings and Equipment

Buildings and equipment are recorded at historical cost. Costs in excess of \$5,000 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15	-	40 years
Equipment	5	-	10 years
Leasehold improvements	10	-	15 years

Land and land improvements include approximately \$3,360,190 of capitalized land that is not subject to depreciation.

12. Income Taxes

The Housing Authority is a quasi-governmental entity. The Housing Authority is not subject to Federal or State income taxes.

13. 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 assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

14. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position will, when applicable, report separate sections for deferred outflows or resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources* a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Housing Authority does not have any items that qualifies for reporting in these categories.

15. Unearned Revenue

The Housing Authority reports unearned revenue in connection with resources that have been received, but not yet earned.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

17. Net Position

Net positions are comprised of three categories (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The Housing Authority's positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Housing Authority's policy is to first apply restricted resources. Each component of net position is reported separately on the statement of net position.

- i. Net Investment in capital assets – This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.
- ii. Restricted – This category equals the restricted cash of the Housing Authority and consists of net position restricted for use by (1) external groups such as grantors, creditors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- iii. Unrestricted – This category includes all of the remaining net position that do not meet the definition of the other two categories.

18. Subsequent Events

The financial statements and related disclosures include evaluation of events through and including November 1, 2018, which is the date the financial statements were available to be issued.

NOTE B: CASH AND CASH EQUIVALENTS

Indiana Code authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Indiana. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Indiana or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Indiana.

The Housing Authority has designated one bank and one brokerage company for the deposit of its funds. The Housing Authority's deposits are included on the balance sheet under the classification cash and cash equivalents and consist of the following:

Cash – operations	\$	662,413
Cash – treasury obligations		<u>923,123</u>
Total	\$	<u>1,585,536</u>

The above deposits are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of June 30, 2018:

Bank deposits (checking, savings, and treasury obligation accounts)	\$	1,585,336
Petty cash		<u>200</u>
Total	\$	<u>1,585,536</u>

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority does not have a deposit policy for custodial credit risk. At year end, the Housing Authority had no bank deposits that were uninsured and uncollateralized.

NOTE C: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	<u>Balance 06/30/17</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Balance 06/30/2018</u>
Low Rent Program				
Land	\$ 3,360,190	\$ 0	\$ 0	\$ 3,360,190
Buildings	6,429,410	138,375	0	6,567,785
Furniture, equipment & machinery - dwellings	0	0	0	0
Furniture, equipment & machinery - administration	98,091	0	(4,451)	93,640
Construction in progress	114,640	0	(58,453)	56,187
	<u>10,002,331</u>	<u>\$ 138,375</u>	<u>\$ (62,904)</u>	<u>10,077,802</u>
Less accumulated depreciation	<u>(4,492,190)</u>	<u>\$ (229,217)</u>	<u>\$ 26,302</u>	<u>(4,695,105)</u>
Total	<u>\$ 5,510,141</u>			<u>\$ 5,382,697</u>
 Housing Choice Voucher Program				
Buildings	\$ 86,371	\$ 0	\$ 0	\$ 86,371
Furniture, equipment & machinery - administration	50,243	0	0	50,243
	<u>136,614</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>136,614</u>
Less accumulated depreciation	<u>(95,073)</u>	<u>\$ (3,495)</u>	<u>\$ 0</u>	<u>(98,568)</u>
Total	<u>\$ 41,541</u>			<u>\$ 38,046</u>
Combined Totals				<u>\$ 5,420,743</u>

Depreciation expense was charged to functions/programs of the government as follows:

Business-type activities:	
Low Rent Program	\$ 229,217
Housing Choice Voucher Program	3,495
	<u>\$ 232,712</u>

NOTE D: NON-CURRENT LIABILITIES

As of June 30, 2018, the non-current liabilities are comprised of the following:

Accrued compensated absences- noncurrent portion	\$ 52,146
Non-current liabilities - other	<u>82,817</u>
	<u>\$ 134,963</u>

The following is a summary of changes in non-current liabilities for the year ended June 30, 2018:

	<u>Balance 06/30/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/18</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ 52,216	\$ 0	\$ (70)	\$ 52,146	\$ 25,842
Non-current Liabilities - other	<u>86,654</u>	<u>0</u>	<u>(3,837)</u>	<u>82,817</u>	
	<u>\$ 138,870</u>	<u>\$ 0</u>	<u>\$ (3,907)</u>	<u>\$ 134,963</u>	<u>\$ 25,842</u>

NOTE E: COMMITMENTS AND CONTINGENCIES

Commitments – Construction

At June 30, 2018, the Housing Authority had the following capital fund grants:

	<u>IN36P05850114</u>	<u>IN36P05850115</u>
Funds Approved	\$ 191,180	\$ 188,671
Funds Expended	<u>(191,180)</u>	<u>(188,671)</u>
Excess of Funds Approved	<u>\$ 0</u>	<u>\$ 0</u>
Funds Advanced (HUD Grants)	\$ 191,180	\$ 188,671
Funds Expended	<u>(191,180)</u>	<u>(188,671)</u>
Excess of Funds Advanced	<u>\$ 0</u>	<u>\$ 0</u>
	<u>IN36P05850116</u>	<u>IN36P05850117</u>
Funds Approved	\$ 178,169	\$ 193,273
Funds Expended	<u>(161,324)</u>	<u>(134,862)</u>
Excess of Funds Approved	<u>\$ 16,845</u>	<u>\$ 58,411</u>
Funds Advanced (HUD Grants)	\$ 161,324	\$ 134,862
Funds Expended	<u>(161,324)</u>	<u>(134,862)</u>
Excess of Funds Advanced	<u>\$ 0</u>	<u>\$ 0</u>

NOTE E: COMMITMENTS AND CONTINGENCIES (continued)

Commitments – Construction (continued)

	<u>IN36P05850118</u>
Funds Approved	\$ 317,693
Funds Expended	<u>(0)</u>
Excess of Funds Approved	<u>\$ 317,693</u>
Funds Advanced (HUD Grants)	\$ 0
Funds Expended	<u>(0)</u>
Excess of Funds Advanced	<u>\$ 0</u>

The Actual Modernization Cost Certificate for the 2014 and 2015 CFP was signed by the Executive Director and sent to HUD for their approval. HUD approved for audit the cost certificates. The audited costs for the 2014 and 2015 CFP agree with the costs shown on the Form HUD-53001.

Contingencies

The Housing Authority is subject to possible examination by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Housing Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

NOTE F: RETIREMENT PLAN

The Housing Authority provides pension benefits for all of its full time employees through a 401K plan with AXA Equitable. The plan requires the Housing Authority and the employee to contribute 9% and 1% of covered wages, respectively, however, employees may contribute more. Housing Authority contributions forfeited by employees who leave employment prior to vesting are used to reduce current costs and contribution requirements. In the current year, the total contributions were \$178,639 related to \$495,405 of covered salaries and wages. The plan may only be amended by Board action.

The Housing Authority does not provide post employment retirement benefits. As a result, there are no disclosures included in these statements as required by GASB 75.

NOTE G: RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The Housing Authority carries commercial insurance coverage to cover this risk. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Housing Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

OTHER INFORMATION

Columbus Housing Authority
Combining Statement of Net Position by Program
June 30, 2018

	Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 516,092	\$ 0	\$ 5,922
Accounts receivable-tenants, net	2,421	0	0
Investments-unrestricted	0	0	0
Prepaid expenses	35,643	0	0
Interprogram due from	0	0	0
Total current assets	<u>554,156</u>	<u>0</u>	<u>5,922</u>
Noncurrent assets:			
Capital assets:			
Land	3,360,190	0	0
Buildings	6,567,785	0	0
Equipment	93,640	0	0
Construction in progress	56,187	0	0
	<u>10,077,802</u>	<u>0</u>	<u>0</u>
Less accumulated depreciation	<u>(4,695,105)</u>	<u>0</u>	<u>0</u>
Net capital assets	<u>5,382,697</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 5,936,853</u>	<u>\$ 0</u>	<u>\$ 5,922</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	Other Programs	Subtotal	Eliminations	Total
\$ 637,227	\$ 3,542	\$ 422,753	\$ 1,585,536	\$ 0	\$ 1,585,536
2,718	0	0	5,139	0	5,139
0	0	0	0	0	0
3,573	0	0	39,216	0	39,216
3,907	0	0	3,907	(3,907)	0
<u>647,425</u>	<u>3,542</u>	<u>422,753</u>	<u>1,633,798</u>	<u>(3,907)</u>	<u>1,629,891</u>
0	0	0	3,360,190	0	3,360,190
86,371	0	0	6,654,156	0	6,654,156
50,243	0	0	143,883	0	143,883
0	0	0	56,187	0	56,187
<u>136,614</u>	<u>0</u>	<u>0</u>	<u>10,214,416</u>	<u>0</u>	<u>10,214,416</u>
<u>(98,568)</u>	<u>0</u>	<u>0</u>	<u>(4,793,673)</u>	<u>0</u>	<u>(4,793,673)</u>
<u>38,046</u>	<u>0</u>	<u>0</u>	<u>5,420,743</u>	<u>0</u>	<u>5,420,743</u>
<u>\$ 685,471</u>	<u>\$ 3,542</u>	<u>\$ 422,753</u>	<u>\$ 7,054,541</u>	<u>\$ (3,907)</u>	<u>\$ 7,050,634</u>

Columbus Housing Authority
Combining Statement of Net Position by Program
(Continued)
June 30, 2018

	Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
LIABILITIES and NET POSITION			
Current liabilities:			
Accounts payable	\$ 56,951	\$ 0	\$ 5,922
Accrued expenses	28,727	0	0
Tenant security deposit liability	39,715	0	0
Unearned revenue	4,977	0	0
Interprogram due to	0	0	0
Total current liabilities	<u>130,370</u>	<u>0</u>	<u>5,922</u>
Non-current liabilities:			
Non-current liabilities – other	13,774	0	0
Accrued compensated absences	28,891	0	0
Total non-current liabilities	<u>42,665</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>173,035</u>	<u>0</u>	<u>5,922</u>
Net Position:			
Net investment in capital assets	5,382,697	0	0
Restricted net position	48,068	0	0
Unrestricted net position	333,053	0	0
Total net position	<u>5,763,818</u>	<u>0</u>	<u>0</u>
Total Liabilities and Net Position	<u>\$ 5,936,853</u>	<u>\$ 0</u>	<u>\$ 5,922</u>

<u>Housing Choice Vouchers 14.871</u>	<u>Supportive Housing for Persons with Disabilities 14.181</u>	<u>Other Programs</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Total</u>
\$ 2,868	\$ 0	\$ 0	\$ 65,741	\$ 0	\$ 65,741
21,103	0	0	49,830	0	49,830
0	0	0	39,715	0	39,715
0	0	0	4,977	0	4,977
0	3,907	0	3,907	(3,907)	0
<u>23,971</u>	<u>3,907</u>	<u>0</u>	<u>164,170</u>	<u>(3,907)</u>	<u>160,263</u>
69,043	0	0	82,817	0	82,817
23,255	0	0	52,146	0	52,146
<u>92,298</u>	<u>0</u>	<u>0</u>	<u>134,963</u>	<u>0</u>	<u>134,963</u>
<u>116,269</u>	<u>3,907</u>	<u>0</u>	<u>299,133</u>	<u>(3,907)</u>	<u>295,226</u>
38,046	0	0	5,420,743	0	5,420,743
101,555	3,542	0	153,165	0	153,165
429,601	(3,907)	422,753	1,181,500	0	1,181,500
<u>569,202</u>	<u>(365)</u>	<u>422,753</u>	<u>6,755,408</u>	<u>0</u>	<u>6,755,408</u>
<u>\$ 685,471</u>	<u>\$ 3,542</u>	<u>\$ 422,753</u>	<u>\$ 7,054,541</u>	<u>\$ (3,907)</u>	<u>\$ 7,050,634</u>

Columbus Housing Authority
Combining Statement of Revenues, Expenses, and
Changes in Net Position by Program
Year Ended June 30, 2018

	Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
OPERATING REVENUES:			
Dwelling rent	\$ 386,091	\$ 0	\$ 0
Operating grants	419,619	42,872	0
Total operating revenues	<u>805,710</u>	<u>42,872</u>	<u>0</u>
OPERATING EXPENSES:			
Administrative	344,767	0	0
Tenant services	0	42,872	0
Utilities	65,664	0	0
Maintenance	282,797	0	0
Insurance	52,154	0	0
General expenses	75,302	0	0
Extraordinary maintenance	45,866	0	0
Housing assistance payments	0	0	0
HAP portability in	0	0	0
Depreciation	229,217	0	0
Total operating expenses	<u>1,095,767</u>	<u>42,872</u>	<u>0</u>
Operating income (loss)	<u>(290,057)</u>	<u>0</u>	<u>0</u>
NONOPERATING REVENUES:			
Investment interest income - unrestricted	1,772	0	0
Investment interest income - restricted	703	0	0
Fraud recovery	0	0	0
Other revenue	79,984	0	0
Total non operating revenues	<u>82,459</u>	<u>0</u>	<u>0</u>
CAPITAL CONTRIBUTIONS	<u>79,922</u>	<u>0</u>	<u>0</u>
Change in net position	(127,676)	0	0
Net Position, beginning	<u>5,891,494</u>	<u>0</u>	<u>0</u>
Net Position, ending	<u>\$ 5,763,818</u>	<u>\$ 0</u>	<u>\$ 0</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	Other Programs	Subtotal	Eliminations	Total
\$ 0	\$ 0	\$ 0	\$ 386,091	\$ 0	\$ 386,091
2,751,047	428,073	0	3,641,611	0	3,641,611
<u>2,751,047</u>	<u>428,073</u>	<u>0</u>	<u>4,027,702</u>	<u>0</u>	<u>4,027,702</u>
239,872	39,750	9,610	633,999	0	633,999
0	0	0	42,872	0	42,872
2,890	0	0	68,554	0	68,554
1,320	0	0	284,117	0	284,117
9,943	0	0	62,097	0	62,097
14,627	0	0	89,929	0	89,929
0	0	0	45,866	0	45,866
2,529,449	385,895	0	2,915,344	0	2,915,344
45,317	0	0	45,317	0	45,317
3,495	0	0	232,712	0	232,712
<u>2,846,913</u>	<u>425,645</u>	<u>9,610</u>	<u>4,420,807</u>	<u>0</u>	<u>4,420,807</u>
<u>(95,866)</u>	<u>2,428</u>	<u>(9,610)</u>	<u>(393,105)</u>	<u>0</u>	<u>(393,105)</u>
3,948	0	2,868	8,588	0	8,588
0	0	0	703	0	703
4,426	0	0	4,426	0	4,426
75,508	0	28,743	184,235	0	184,235
<u>83,882</u>	<u>0</u>	<u>31,611</u>	<u>197,952</u>	<u>0</u>	<u>197,952</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>79,922</u>	<u>0</u>	<u>79,922</u>
(11,984)	2,428	22,001	(115,231)	0	(115,231)
<u>581,186</u>	<u>(2,793)</u>	<u>400,752</u>	<u>6,870,639</u>	<u>0</u>	<u>6,870,639</u>
<u>\$ 569,202</u>	<u>\$ (365)</u>	<u>\$ 422,753</u>	<u>\$ 6,755,408</u>	<u>\$ 0</u>	<u>\$ 6,755,408</u>

Columbus Housing Authority
Combining Statement of Cash Flows by Program
Year Ended June 30, 2018

	Low Rent Program 14.850	PIH Family Self- Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from dwelling and non dwelling rents	\$ 355,506	\$ (11,138)	\$ 0
Cash received from operating grants	419,619	42,872	0
Cash payments to other suppliers of goods and services	(438,626)	0	0
Cash payments to employees for services	(403,574)	(42,872)	0
Cash payments for payments in lieu of taxes	(890)	0	0
Net cash provided (used) by operating activities	<u>(67,965)</u>	<u>(11,138)</u>	<u>0</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Fraud recovery	0	0	0
Tenant security deposits	1,650	0	0
Transfers in (out)	0	0	0
Net cash provided by noncapital financing activities	<u>1,650</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments for capital acquisitions	(75,471)	0	0
Disposals/Transfers of capital assets	(26,302)	0	0
Capital grants	79,922	0	0
Net cash provided (used) by capital and related financing activities	<u>(21,851)</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Other revenue	79,984	0	0
Receipts of interest income - unrestricted	1,772	0	0
Receipts of interest income - restricted	703	0	0
Net cash provided by investing activities	<u>82,459</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash	(5,707)	(11,138)	0
Cash and cash equivalents, beginning	<u>521,799</u>	<u>11,138</u>	<u>5,922</u>
Cash and cash equivalents, ending	<u>\$ 516,092</u>	<u>\$ 0</u>	<u>\$ 5,922</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	Other Programs	Subtotal	Eliminations	Total
\$ 0	\$ 0	\$ 0	\$ 344,368	\$ 0	\$ 344,368
2,751,047	428,073	0	3,641,611	0	3,641,611
(2,658,012)	(386,795)	(9,610)	(3,493,043)	0	(3,493,043)
(187,845)	(38,850)	0	(673,141)	0	(673,141)
0	0	0	(890)	0	(890)
(94,810)	2,428	(9,610)	(181,095)	0	(181,095)
3,355	0	0	3,355	0	3,355
0	0	0	1,650	0	1,650
0	0	0	0	0	0
3,355	0	0	5,005	0	5,005
0	0	0	(75,471)	0	(75,471)
12,793	(10,629)	0	(24,138)	0	(24,138)
0	0	0	79,922	0	79,922
12,793	(10,629)	0	(19,687)	0	(19,687)
75,508	0	28,743	184,235	0	184,235
3,948	0	2,868	8,588	0	8,588
0	0	0	703	0	703
79,456	0	31,611	193,526	0	193,526
794	(8,201)	22,001	(2,251)	0	(2,251)
636,433	11,743	400,752	1,587,787	0	1,587,787
\$ 637,227	\$ 3,542	\$ 422,753	\$ 1,585,536	0	\$ 1,585,536

Columbus Housing Authority
Combining Statement of Cash Flows by Program
(Continued)
Year Ended June 30, 2018

	<u>Low Rent Program 14.850</u>	<u>PIH Family Self- Sufficiency Program 14.896</u>	<u>Disaster Voucher Program 14.DVP</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (290,057)	\$ 0	\$ 0
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	229,217	0	0
Allowance for doubtful accounts	(1,437)	0	0
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable-tenants	721	0	0
Prepaid expenses	(376)	0	0
Increase (decrease) in liabilities:			
Accounts payable-trade	22,381	0	0
Accrued wages/payroll taxes payable	(2,258)	0	0
Accrued compensated absences	2,803	0	0
Accrued liabilities – other	145	0	0
PILOT	(890)	0	0
Unearned revenue	(29,869)	(11,138)	0
Non-current liabilities - other	1,655	0	0
	<u>1,655</u>	<u>0</u>	<u>0</u>
Net cash provided (used) by operating activities	<u>\$ (67,965)</u>	<u>\$ (11,138)</u>	<u>\$ 0</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	Other Programs	Subtotal	Eliminations	Total
\$ (95,866)	\$ 2,428	\$ (9,610)	\$ (393,105)	\$ 0	\$ (393,105)
3,495	0	0	232,712	0	232,712
0	0	0	(1,437)	0	(1,437)
0	0	0	721	0	721
(92)	0	0	(468)	0	(468)
2,787	0	0	25,168	0	25,168
746	0	0	(1,512)	0	(1,512)
(388)	0	0	2,415	0	2,415
0	0	0	145	0	145
0	0	0	(890)	0	(890)
0	0	0	(41,007)	0	(41,007)
(5,492)	0	0	(3,837)	0	(3,837)
<u>\$ (94,810)</u>	<u>\$ 2,428</u>	<u>\$ (9,610)</u>	<u>\$ (181,095)</u>	<u>\$ 0</u>	<u>\$ (181,095)</u>

**Columbus Housing Authority
Schedule of Expenditures of Federal Awards
And Notes to the Schedule of Federal Awards
Year Ended June 30, 2018**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor</u>	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<u>U.S. Department of HUD</u>			
Section 8 Housing Choice Vouchers	A – Major	14.871	\$ 2,799,512
Public and Indian Housing: Public Housing Program	B – Nonmajor	14.850	298,143
Public Housing Capital Fund	B – Nonmajor	14.872	201,398
Supportive Housing for Persons with Disabilities	B- Nonmajor	14.181	428,073
PIH Family Self-Sufficiency Program	B- Nonmajor	14.896	<u>42,872</u>
Total Federal Financial Awards			<u>\$ 3,769,998</u>
Threshold for Type A/Type B Program			<u>\$ 750,000</u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

Basis of Accounting - - The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Housing Authority under programs of the federal government for the year ended June 30, 2018. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the Uniform Guidance, Audit of States, Local Governments, and Non-Profit Organizations. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of the Housing Authority.

Barry E. Gaudette, CPA, P.C.

CERTIFIED PUBLIC ACCOUNTANT

Independent Accountant's Report on Applying Agreed-Upon Procedure

731 South Garfield Avenue
Traverse City, Michigan 49686
Work (231) 946-8930
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To the Board of Commissioners
Columbus Housing Authority

We have performed the procedure described in the second paragraph of this report, which was agreed to by Columbus Housing Authority and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), on whether the electronic submission of certain information agrees with the related hard copy documents within the reporting package. The Columbus Housing Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of the Columbus Housing Authority and PIH-REAC. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for the Columbus Housing Authority as of and for the year ended June 30, 2018, and have issued our reports thereon dated November 1, 2018. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated November 1, 2018, was expressed in relation to the basic financial statements of the Columbus Housing Authority taken as a whole.

A copy of the reporting package required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which includes the auditor's reports, is available in its entirety from the Columbus Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

Independent Accountant's Report on Applying Agreed-Upon Procedure
Page Two

This purpose of this report on applying the agreed-upon procedure is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Barry E. Gandette, CPA, PC

November 1, 2018

Attachment to Independent Accountant's Report on Applying Agreed-Upon Procedures

Procedure	UFRS Rule Information	Hard Copy Documents	Findings
1	Business Sheet, Revenue, Expense, and Cash Flow Data	Financial Data Schedule	Agrees
2	Footnotes	Footnotes to Audited Basic Financial Statements	Agrees
3	Type of Opinion on the Financial Statements and Compliance	Auditor's Reports on the Financial Statements and Compliance	Agrees
4	Type of Opinion on Financial Data Schedule	Auditor's Supplemental Report on Financial Data Schedule	Agrees
5	Audit Findings Narrative	Schedule of Findings and Questioned Costs	N/A

Columbus Housing Authority
Financial Data Schedule
Year Ended June 30, 2018

FDS Line Item No.		Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
	ASSETS			
	Current assets:			
111	Cash-unrestricted	\$ 409,558	\$ 0	\$ 5,922
112	Cash-restricted-modernization	48,068	0	0
113	Cash-other restricted	13,774	0	0
114	Cash-tenant security deposits	39,715	0	0
115	Cash-restricted for payment of current liabilities	4,977	0	0
100	Total cash	<u>516,092</u>	<u>0</u>	<u>5,922</u>
	Receivables:			
126	A/R-tenants-dwelling rents	2,826	0	0
126.1	Allowance for doubtful accounts	(405)	0	0
128	Fraud Recovery	0	0	0
128.1	Allowance for doubtful accounts	0	0	0
120	Total receivables, net	<u>2,421</u>	<u>0</u>	<u>0</u>
	Other Current Assets:			
142	Prepaid expenses	35,643	0	0
144	Inter Program Due From	0	0	0
	Total other current assets	<u>35,643</u>	<u>0</u>	<u>0</u>
150	Total current assets	<u>554,156</u>	<u>0</u>	<u>5,922</u>
	Noncurrent Assets:			
	Fixed Assets:			
161	Land	3,360,190	0	0
162	Buildings	6,567,785	0	0
164	Furn, equip & mach-admin	93,640	0	0
166	Accumulated depreciation	(4,695,105)	0	0
167	Construction in Progress	56,187	0	0
160	Total fixed assets, net	<u>5,382,697</u>	<u>0</u>	<u>0</u>
180	Total non-current assets	<u>5,382,697</u>	<u>0</u>	<u>0</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 5,936,853</u>	<u>\$ 0</u>	<u>\$ 5,922</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	2 State/Local	1 Business Activities	Eliminations	Total
\$ 466,629	\$ 0	\$ 140,188	\$ 282,565	\$ 0	\$ 1,304,862
0	0	0	0	0	48,068
170,598	3,542	0	0	0	187,914
0	0	0	0	0	39,715
0	0	0	0	0	4,977
<u>637,227</u>	<u>3,542</u>	<u>140,188</u>	<u>282,565</u>	<u>0</u>	<u>1,585,536</u>
0	0	0	0	0	2,826
0	0	0	0	0	(405)
2,747	0	0	0	0	2,747
(29)	0	0	0	0	(29)
<u>2,718</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,139</u>
3,573	0	0	0	0	39,216
3,907	0	0	0	(3,907)	0
<u>7,480</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,907)</u>	<u>39,216</u>
<u>647,425</u>	<u>3,542</u>	<u>140,188</u>	<u>282,565</u>	<u>(3,907)</u>	<u>1,629,891</u>
86,371	0	0	0	0	3,360,190
50,243	0	0	0	0	6,654,156
(98,568)	0	0	0	0	143,883
0	0	0	0	0	(4,793,673)
0	0	0	0	0	56,187
<u>38,046</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,420,743</u>
<u>38,046</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,420,743</u>
<u>\$ 685,471</u>	<u>\$ 3,542</u>	<u>\$ 140,188</u>	<u>\$ 282,565</u>	<u>\$ (3,907)</u>	<u>\$ 7,050,634</u>

Columbus Housing Authority
Financial Data Schedule
(Continued)
Year Ended June 30, 2018

FDS Line Item No.		Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
	LIABILITIES and NET POSITION			
	Current liabilities:			
312	Accounts payable	\$ 28,610	\$ 0	\$ 0
321	Accrued wage/payroll taxes payable	11,660	0	0
322	Accrued compensated absences	14,545	0	0
331	Accounts payable – HUD PHA Programs	0	0	5,922
333	Accounts payable – Other Government	28,341	0	0
341	Tenant security deposits	39,715	0	0
342	Unearned revenue	4,977	0	0
346	Accrued liabilities - other	2,522	0	0
347	Inter program – due to	0	0	0
310	Total current liabilities	<u>130,370</u>	<u>0</u>	<u>5,922</u>
	Non-current liabilities:			
353	Non-current liabilities – other	13,774	0	0
354	Accrued compensated absences	28,891	0	0
350	Total noncurrent liabilities	<u>42,665</u>	<u>0</u>	<u>0</u>
300	Total liabilities	<u>173,035</u>	<u>0</u>	<u>5,922</u>
	Net Position:			
508.4	Net investment in capital assets	5,382,697	0	0
511.4	Restricted net position	48,068	0	0
512.4	Unrestricted net position	333,053	0	0
513	Total net position	<u>5,763,818</u>	<u>0</u>	<u>0</u>
600	Total Liabilities, Deferred Inflows of Resources and and Net Position	<u>\$ 5,936,853</u>	<u>\$ 0</u>	<u>\$ 5,922</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	2 State/Local	1 Business Activities	Eliminations	Total
\$ 2,868	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,478
9,796	0	0	0	0	21,456
11,297	0	0	0	0	25,842
0	0	0	0	0	5,922
0	0	0	0	0	28,341
0	0	0	0	0	39,715
0	0	0	0	0	4,977
10	0	0	0	0	2,532
0	3,907	0	0	(3,907)	0
<u>23,971</u>	<u>3,907</u>	<u>0</u>	<u>0</u>	<u>(3,907)</u>	<u>160,263</u>
69,043	0	0	0	0	82,817
23,255	0	0	0	0	52,146
<u>92,298</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>134,963</u>
<u>116,269</u>	<u>3,907</u>	<u>0</u>	<u>0</u>	<u>(3,907)</u>	<u>295,226</u>
38,046	0	0	0	0	5,420,743
101,555	3,542	0	0	0	153,165
<u>429,601</u>	<u>(3,907)</u>	<u>140,188</u>	<u>282,565</u>	<u>0</u>	<u>1,181,500</u>
<u>569,202</u>	<u>(365)</u>	<u>140,188</u>	<u>282,565</u>	<u>0</u>	<u>6,755,408</u>
<u>\$ 685,471</u>	<u>\$ 3,542</u>	<u>\$ 140,188</u>	<u>\$ 282,565</u>	<u>\$ (3,907)</u>	<u>\$ 7,050,634</u>

Columbus Housing Authority
Financial Data Schedule
(Continued)
Year Ended June 30, 2018

FDS Line Item No.		Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
	Revenues			
70300	Net tenant rental revenue	\$ 357,575	\$ 0	\$ 0
70400	Tenant revenue-other	28,516	0	0
70500	Total tenant revenue	386,091	0	0
70600	HUD PHA operating grants	419,619	42,872	
70610	Capital Grants	79,922	0	0
71100	Investment income – unrestricted	1,772	0	0
71400	Fraud recovery	0	0	0
71500	Other revenue	79,984	0	0
72000	Investment income – restricted	703	0	0
70000	Total Revenue	<u>968,091</u>	<u>42,872</u>	<u>0</u>
	Expenses			
	Administrative:			
91100	Administrative salaries	214,717	0	0
91200	Auditing fees	2,350	0	0
91400	Advertising and marketing	1,103	0	0
91500	Employee benefit contributions	80,520	0	0
91600	Office expenses	21,505	0	0
91700	Legal expense	243	0	0
91800	Travel	11	0	0
91900	Other	24,318	0	0
91000	Total operating-administrative	<u>344,767</u>	<u>0</u>	<u>0</u>
	Tenant services:			
92100	Tenant services – salaries	0	36,580	0
92300	Employee benefit contributions	0	6,292	0
92500	Total tenant services	<u>0</u>	<u>42,872</u>	<u>0</u>
	Utilities:			
93100	Water	11,892	0	0
93200	Electricity	50,117	0	0
93300	Gas	3,655	0	0
93000	Total utilities	<u>65,664</u>	<u>0</u>	<u>0</u>
	Ordinary maintenance and operations:			
94100	Labor	75,957	0	0
94200	Materials and other	71,819	0	0
94300	Contracts	102,096	0	0
94500	Employee benefit contributions	32,925	0	0
94000	Total maintenance	<u>\$ 282,797</u>	<u>\$ 0</u>	<u>\$ 0</u>

Housing Choice Vouchers 14,871	Supportive Housing for Persons with Disabilities 14,181	2 State/Local	1 Business Activities	Eliminations	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 357,575
0	0	0	0	0	28,516
0	0	0	0	0	386,091
2,751,047	428,073	0	0	0	3,641,611
0	0	0	0	0	79,922
3,948	0	955	1,913	0	8,588
4,426	0	0	0	0	4,426
75,508	0	6,702	22,041	0	184,235
0	0	0	0	0	703
<u>2,834,929</u>	<u>428,073</u>	<u>7,657</u>	<u>23,954</u>	<u>0</u>	<u>4,305,576</u>
141,903	26,248	0	0	0	382,868
6,160	0	0	0	0	8,510
1,736	0	0	0	0	2,839
46,300	12,602	0	0	0	139,422
27,208	900	0	0	0	49,613
657	0	0	0	0	900
45	0	0	0	0	56
15,863	0	2,096	7,514	0	49,791
<u>239,872</u>	<u>39,750</u>	<u>2,096</u>	<u>7,514</u>	<u>0</u>	<u>633,999</u>
0	0	0	0	0	36,580
0	0	0	0	0	6,292
0	0	0	0	0	42,872
248	0	0	0	0	12,140
2,144	0	0	0	0	52,261
498	0	0	0	0	4,153
<u>2,890</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68,554</u>
0	0	0	0	0	75,957
1,228	0	0	0	0	73,047
92	0	0	0	0	102,188
0	0	0	0	0	32,925
<u>\$ 1,320</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 284,117</u>

Columbus Housing Authority
Financial Data Schedule
(Continued)
Year Ended June 30, 2018

FDS Line Item No.	Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
	Expenses (continued)		
	Insurance:		
96110	\$ 19,766	\$ 0	\$ 0
96120	16,737	0	0
96130	6,750	0	0
96140	8,901	0	0
96100	<u>52,154</u>	<u>0</u>	<u>0</u>
	Other general expenses:		
96200	11,682	0	0
96210	20,099	0	0
96300	28,341	0	0
96400	15,180	0	0
96000	<u>75,302</u>	<u>0</u>	<u>0</u>
96900	<u>820,684</u>	<u>42,872</u>	<u>0</u>
97000	<u>147,407</u>	<u>0</u>	<u>0</u>
	Other Expenses:		
97100	45,866	0	0
97300	0	0	0
97350	0	0	0
97400	229,217	0	0
	<u>275,083</u>	<u>0</u>	<u>0</u>
90000	<u>1,095,767</u>	<u>42,872</u>	<u>0</u>
	Other Financing Sources (Uses):		
10010	121,476	0	0
10020	(121,476)	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
10000	(127,676)	0	0
11030	5,891,494	0	0
	<u>\$ 5,763,818</u>	<u>\$ 0</u>	<u>\$ 0</u>

Housing Choice Vouchers 14,871	Supportive Housing for Persons with Disabilities 14,181	2 State/Local	1 Business Activities	Eliminations	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,766
0	0	0	0	0	16,737
5,522	0	0	0	0	12,272
4,421	0	0	0	0	13,322
<u>9,943</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62,097</u>
71	0	0	0	0	11,753
14,556	0	0	0	0	34,655
0	0	0	0	0	28,341
0	0	0	0	0	15,180
<u>14,627</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>89,929</u>
<u>268,652</u>	<u>39,750</u>	<u>2,096</u>	<u>7,514</u>	<u>0</u>	<u>1,181,568</u>
<u>2,566,277</u>	<u>388,323</u>	<u>5,561</u>	<u>16,440</u>	<u>0</u>	<u>3,124,008</u>
0	0	0	0	0	45,866
2,529,449	385,895	0	0	0	2,915,344
45,317	0	0	0	0	45,317
3,495	0	0	0	0	232,712
<u>2,578,261</u>	<u>385,895</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,239,239</u>
<u>2,846,913</u>	<u>425,645</u>	<u>2,096</u>	<u>7,514</u>	<u>0</u>	<u>4,420,807</u>
0	0	0	0	(121,476)	0
0	0	0	0	121,476	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(11,984)	2,428	5,561	16,440	0	(115,231)
581,186	(2,793)	134,627	266,125	0	6,870,639
<u>\$ 569,202</u>	<u>\$ (365)</u>	<u>\$ 140,188</u>	<u>\$ 282,565</u>	<u>\$ 0</u>	<u>\$ 6,755,408</u>

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

**Independent Auditor's 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***

To the Board of Housing Commissioners
Columbus Housing Authority
Columbus, Indiana

We 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 business-type activities of the Columbus Housing Authority, Indiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Columbus Housing Authority, Indiana's basic financial statements, and have issued our report thereon dated November 1, 2018.

Internal Control Over Financial Reporting

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

Our 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 our audit we did not identify any deficiencies in internal control that we 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 Columbus Housing Authority, Indiana's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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 on 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.

Barry E. Gandette, CPA, PC

November 1, 2018

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance**

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To the Board of Housing Commissioners
Columbus Housing Authority
Columbus, Indiana

Report on Compliance for Each Major Federal Program

We have audited the Columbus Housing Authority, Indiana'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 Columbus Housing Authority, Indiana's major federal programs for the year ended June 30, 2018. Columbus Housing Authority, Indiana'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Columbus Housing Authority, Indiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we 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 Columbus Housing Authority, Indiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Columbus Housing Authority, Indiana's compliance.

Opinion on Each Major Federal Program

In our opinion, the Columbus Housing Authority, Indiana, 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, 2018.

Report on Internal Control over Compliance

Management of the Columbus Housing Authority, Indiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Columbus Housing Authority, Indiana'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 auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Columbus Housing Authority, Indiana'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 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.

Our 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our 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.

Barry E. Gandette, CPA, PC

November 1, 2018

**Columbus Housing Authority
Status of Prior Audit Findings
June 30, 2018**

There were no prior year findings.

Columbus Housing Authority
Schedule of Findings and Questioned Costs
June 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? none reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? none reported

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

Any audit findings disclosed that are required to be reported in accordance with *Audit Requirements for Federal Awards* (Uniform Guidance)? No

Identification of major programs;

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Vouchers Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

Section II - Findings Related to the Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

Section III - Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs.