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May 8, 2019

Board of Directors
Housing Authority of the City of Bloomington
1007 N Summit St
Bloomington, IN 47404

We have reviewed the audit report of the Housing Authority of the City of Bloomington, which was opined upon by Aprio/Yeager & Boyd, LLP, Independent Public Accountants, for the period October 1, 2015 to September 30, 2016. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Bloomington, as of September 30, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Aprio/Yeager & Boyd, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

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

HOUSING AUTHORITY OF THE CITY OF
BLOOMINGTON, INDIANA

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED SEPTEMBER 30, 2016

HOUSING AUTHORITY OF THE CITY OF
BLOOMINGTON, INDIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Bloomington as of and for the year ended September 30, 2016, and the related notes to the 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 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.

Auditors' 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 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, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2016, 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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 15 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.

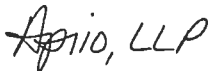
Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. Other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development's information and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The other supplementary data and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data 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 data 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2017 on our consideration of the Authority's internal control over financial reporting and our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
May 5, 2017

**INDEPENDENT AUDITORS' 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**

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, 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 Authority, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 5, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 Authority's financial statements are free of 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aprio, LLP

Birmingham, Alabama
May 5, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

Report on Compliance for the Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2016. The Authority's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program 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* (CFR) 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 Authority'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 the major federal program. However, our audit does not provide a legal determination of Authority's compliance.

Opinion on the Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2016.

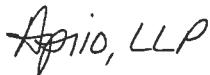
Report on Internal Control Over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Authority'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 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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aprio, LLP

Birmingham, Alabama
May 5, 2017

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

The Housing Authority of the City of Bloomington's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority's net position increased \$.3 million during 2016. Net Position was \$7.7 million and \$8 million for 2015 and 2016, respectively.
- Revenues increased by \$1.6 million during 2016, and were \$10.7 million and \$12.3 million for 2015 and 2016, respectively.
- The total expenses of all Authority programs increased \$.7 million. Total expenses were \$11.3 million and \$12 million for 2015 and 2016, respectively.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

*~ AUTHORITY-WIDE FINANCIAL STATEMENTS ~
~ NOTES TO FINANCIAL STATEMENTS ~*

OTHER REQUIRED SUPPLEMENTARY INFORMATION

*~ REQUIRED SUPPLEMENTARY INFORMATION ~
(OTHER THAN MD&A)*

Authority-Wide Financial Statements

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and "Net Position", formerly known as net assets. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

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

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position."

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

THE AUTHORITY'S MAIN PROGRAMS

Significant Programs – The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to offer housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Programs – In addition to the significant programs above, the Authority also maintains the following programs:

- Central Office Cost Center
- Community Development Block Grant
- Section 8 Moderate Rehabilitation – Single Room Occupancy
- Family Self Sufficiency Under ROSS
- HOME Investment Partnerships Program
- State/Local

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1
STATEMENT OF NET POSITION

	<u>2016</u>	<u>2015</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current & Restricted Assets	\$ 3,090,050	\$ 2,680,775	\$ 409,275
Capital Assets	7,092,178	7,520,112	(427,934)
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 10,182,228</u>	<u>\$ 10,200,887</u>	<u>\$ (18,659)</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 416,833	\$ 510,798	\$ (93,965)
Non-Current Liabilities	1,785,492	1,968,557	(183,065)
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>\$ 2,202,325</u>	<u>\$ 2,479,355</u>	<u>\$ (277,030)</u>
Net Position:			
Net Investment in Capital Assets	\$ 5,350,294	\$ 5,589,670	\$ (239,376)
Restricted Net Position	115,302	102,099	13,203
Unrestricted Net Position	2,514,307	2,029,763	484,544
Total Net Position	<u>\$ 7,979,903</u>	<u>\$ 7,721,532</u>	<u>\$ 258,371</u>

Major Factors Affecting the Statement of Net Position

During 2016, there was a \$.4 million increase in current and restricted assets due predominantly to an increase of unrestricted cash and investments. The increase of cash resulted from operating cash inflows exceeding cash outflows. See the Statement of Cash Flows for additional detail regarding cash inflows and outflows. Capital assets decreased due to depreciation exceeding capital expenditures on renovations and improvements. For additional detail see "Capital Assets" in Tables 4 and 5.

Current liabilities decreased due mainly to a reduction of accounts payable due to vendors and contractors due to the timing of year-end payments. Non-current liabilities decreased due primarily to the extinguishment of capital debt.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, September 30, 2015	\$ 2,029,763
Results of Operations	(106,436)
Principal and Interest Expended on Capital Debt from Operations	(174,808)
Loan Premium Amortization	(60)
Investment Income	1,989
Change in Restricted Net Position	(13,203)
Depreciation Expense	<u>777,062</u>
Unrestricted Net Position, September 30, 2016	<u>\$ 2,514,307</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer understanding of the change in financial well-being.

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal years. The Authority is engaged only in Business-Type Activities.

	<u>2016</u>	<u>2015</u>	<u>Variance</u>
Revenues:			
Tenant Rental and Other Revenue	\$ 997,370	\$ 846,249	\$ 151,121
Operating Grants	10,708,640	9,435,115	1,273,525
Capital Grants	456,977	196,525	260,452
Investment Income	1,989	1,915	74
Other Revenue	120,042	167,408	(47,366)
Total Revenues	<u>\$ 12,285,018</u>	<u>\$ 10,647,212</u>	<u>\$ 1,637,806</u>
Expenses:			
Administrative Expenses	\$ 1,193,040	\$ 1,131,589	\$ 61,451
Tenant Services	64,315	153,252	(88,937)
Utilities	408,288	412,342	(4,054)
Maintenance & Operations	690,614	853,641	(163,027)
Protective Services	18,878	15,153	3,725
General Expense	406,687	276,634	130,053
Interest Expense	94,159	92,920	1,239
Depreciation	777,062	770,350	6,712
Housing Assistance Payments	8,373,604	7,613,464	760,140
Total Expenses	<u>\$ 12,026,647</u>	<u>\$ 11,319,345</u>	<u>\$ 707,302</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ 258,371</u>	<u>\$ (672,133)</u>	<u>\$ 930,504</u>

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position

Tenant revenue increased due to increased rental rates and an increase in maintenance, utilities and other miscellaneous tenant receipts. Operating grants increased due mainly to an increase in subsidies recognized under the Section 8 Housing Choice Voucher Program to fund increased leasing. Capital grants increased to fund increased modernization activity on the Authority's Public Housing properties. Other revenue decreased due primarily to a reduction of fraud recovery and FSS forfeiture revenues recognized.

There was an overall increase in expenses. Collectively, administrative and tenant services expenses remained relatively stable. Maintenance and operations expenses decreased due to a reduction of materials and external contracting costs incurred on the Authority's Public Housing properties. General expenses increased due predominantly to an increase in tenant bad debt expense incurred during the fiscal year. Housing assistance payments increased, due to both increased leasing and swelling payment standards.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$7.1 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$.4 million from the end of last year.

**TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	<u>2016</u>	<u>2015</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 934,929	\$ 934,929	\$ -	0%
Buildings and Improvements	17,347,734	16,948,839	398,895	2%
Furniture & Equipment	204,582	204,582	-	0%
Construction in Process	186,887	236,654	(49,767)	-21%
Accumulated Depreciation	<u>(11,581,954)</u>	<u>(10,804,892)</u>	<u>(777,062)</u>	<u>7%</u>
 Net Capital Assets	 <u><u>\$ 7,092,178</u></u>	 <u><u>\$ 7,520,112</u></u>	 <u><u>\$ (427,934)</u></u>	 <u><u>-6%</u></u>

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, October 1, 2015	\$ 7,520,112
Additions:	
Capital Fund Program - Improvements	244,231
CDBG Funded Public Housing Improvements	104,897
Depreciation Expense	<u>(777,062)</u>
Ending Balance, September 30, 2016	<u><u>\$ 7,092,178</u></u>

DEBT OUTSTANDING

As of year-end, the Authority had \$1.7 million in debt (bonds, notes, etc.) outstanding.

TABLE 6

OUTSTANDING DEBT, AT YEAR-END

<u>Business Type</u>	<u>2016</u>	<u>2015</u>
CFFP Loan Payable	\$ 1,412,839	\$ 1,520,688
CFFP Loan Premium	585	645
Energy Performance Contract - Capital Debt	<u>328,460</u>	<u>409,109</u>
Total	<u>\$ 1,741,884</u>	<u>\$ 1,930,442</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Amber Gress, Executive Director. Specific requests may be submitted to the Housing Authority of the City of Bloomington, 1007 North Summit, Bloomington, Indiana 47404.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2016

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 1,874,680
Accounts Receivable - Grants	41,213
Accounts Receivable - Other	36,703
Tenants Accounts Receivable	17,200
Allowance for Doubtful Accounts	(7,538)
Accrued Interest Receivable	108
Investments	672,347
Prepaid Costs	40,217
Inventory	73,828
Total Current Assets	<u>2,748,758</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>341,292</u>
Total Restricted Assets	<u>341,292</u>
<u>Capital Assets</u>	
Land	934,929
Buildings and Improvements	17,347,734
Furniture & Equipment	204,582
Construction in Progress	186,887
	<u>18,674,132</u>
(Less): Accumulated Depreciation	<u>(11,581,954)</u>
Net Capital Assets	<u>7,092,178</u>
Total Assets	<u>10,182,228</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 10,182,228</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 28,505
Accrued Wages and Payroll Taxes	25,840
Accrued Compensated Absences	60,555
Tenant Security Deposits	57,015
Unearned Revenue	24,083
Current Portion of Capital Debt	192,191
Accrued Liabilities - Other	28,644
Total Current Liabilities	<u>416,833</u>
<u>Long Term Liabilities</u>	
Long Term Capital Debt	1,549,693
FSS Escrow Liability	225,990
Accrued Compensated Absences	9,809
Total Long Term Liabilities	<u>1,785,492</u>
Total Liabilities	<u>2,202,325</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,202,325</u>
<u>Net Position</u>	
Net Investment in Capital Assets	5,350,294
Restricted Net Position	115,302
Unrestricted Net Position	2,514,307
Total Net Position	<u>7,979,903</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 10,182,228</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Enterprise Fund
<u>Operating Revenues</u>	
Tenant Revenue	\$ 997,370
Operating Grants	10,708,640
Other Revenue	120,042
Total Operating Revenues	<u>11,826,052</u>
<u>Operating Expenses</u>	
Administrative	1,193,040
Tenant Services	64,315
Utilities	408,288
Maintenance and Operations	690,614
Protective Services	18,878
General Expense	406,687
Housing Assistance Payments	8,373,604
Depreciation	777,062
Total Operating Expenses	<u>11,932,488</u>
Operating Income (Loss)	<u>(106,436)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	1,989
Interest Expense	(94,159)
Total Non-Operating Rev/(Exp)	<u>(92,170)</u>
Increase (decrease) before Capital Contributions	<u>(198,606)</u>
Capital Contributions	<u>456,977</u>
Increase (Decrease) in Net Position	258,371
Net Position, Beginning	<u>7,721,532</u>
Net Position, Ending	<u><u>\$ 7,979,903</u></u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 836,577
Cash Received from Operating Grants	10,934,446
Cash Received from Other Sources	196,949
Cash Payments for Salaries and Benefits	(1,355,680)
Cash Payments to Vendors and Landlords	(9,803,993)
Net cash provided (used) by operating activities	<u>808,299</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	449,940
Capital Outlay	(342,091)
Principal and Interest paid on Capital Debt	(282,657)
Net cash provided (used) by capital & related financing activities	<u>(174,808)</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	1,881
Transfer to Investments	(296,780)
Net cash provided (used) by investing activities	<u>(294,899)</u>
Net increase in cash and cash equivalents	338,592
<u>Total cash and cash equivalents, beginning of year</u>	<u>1,877,380</u>
<u>Total cash and cash equivalents, end of year</u>	<u>\$ 2,215,972</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (106,436)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and Amortization	777,062
Bad Debt Expense (Tenants)	195,082
Loan Premium Amortization	(60)
Change in Tenant Accounts Receivable	(166,401)
Change in Accounts Receivable/Payable - Grants	225,806
Change in Other Accounts Receivable	9,025
Change in Prepaid Costs and Inventory	(33,433)
Change in Accounts Payable - Operating	(90,396)
Change in Accrued Expenses	(75,500)
Change in Deferred Revenue - Tenant	5,608
Change in Security Deposits Held	448
Change in FSS Escrow Liabilities	67,494
Net cash provided (used) by operating activities	<u>\$ 808,299</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF
BLOOMINGTON, INDIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations 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.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board.

Cash and Investments

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required. The Authority's investments consist of certificates of deposit.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other accounts receivable consists of amounts due from grantor agencies and former tenants.

Prepaid Items and Inventory

Prepaid items and inventory consists of payments made to vendors for services and materials that will benefit future periods.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue. These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings and Improvements	15 - 40 years
Furniture fixtures and equipment	5 - 7 years

PILOT Agreement

The Authority has entered into a Payment in Lieu of Taxes (PILOT) Agreement with the City of Bloomington, whereby the Partnership agrees to pay a negotiated sum in lieu of local real property taxes. However, the City has waived the Authority's PILOT applicable to fiscal year 2015, and Authority management is anticipating that the fiscal year 2016 PILOT, estimated at \$33,806, will be waived as well. Therefore, the Authority has not accrued a PILOT liability as of September 30, 2016 on its Statement of Net Position.

Indirect Costs Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center, and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority was established by the City of Bloomington pursuant to the laws of the State of Indiana to provide assisted housing for qualified individuals. An independent Board of Commissioners, appointed by the Mayor, is responsible for the activities of the Authority. The Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners, funded primarily by the U.S. Department of Housing and Urban Development (HUD) based upon performance funding and program and capital grants. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has no component units. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

NOTE C - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk – The Authority’s policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Authority’s formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally-insured investments.

The Housing Authority’s cash and cash equivalents consist of funds held in interest bearing checking accounts totaling \$2,215,222. Investments consist of certificates of deposit totaling \$672,347, yielding interest at varying rates up to .30%. The remaining \$750 is held in the form of petty cash or a change fund. Deposits with financial institutions are secured as follows:

	Per General Ledger	Bank Deposits
Insured by FDIC	\$ 843,228	\$ 843,228
Public Funds collateralized by the State of Indiana Public Deposit Fund	2,044,341	2,118,455
Uncollateralized	-	-
	<u>\$ 2,887,569</u>	<u>\$ 2,961,683</u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of September 30, 2016 as follows:

Type of Commitment:

Renovations/ Modernizations	\$	12,195
Administrative		22,161
Total Outstanding Contractual Commitments	\$	<u>34,356</u>

NOTE E – SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, and the realizable value of receivables. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE F – CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE G – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

NOTE H – INTER-PROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed. Balances due for such charges are reflected in the Inter-program Due to/Due from account balances. Inter-programs at the fiscal year end consisted of the following:

Public Housing	\$	12,778
Family Self Sufficiency		(12,778)
Section 8 Moderate Rehabilitation		24,685
Section 8 Housing Choice Voucher		(4,166)
HOME Investment Partnerships		(20,519)
	\$	<u>-</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – DEFINED CONTRIBUTION RETIREMENT PLAN

The Authority provides retirement benefits for all of its eligible full-time employees through a defined contribution plan, known as the Housing Authority of the City of Bloomington Retirement Plan. The plan is administered by One American (American United Life). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 10% of the eligible employees' base salary and employees are not required to contribute to the plan. Contributions and allocated investment earnings are fully vested after 5 years of continuous service. During 2016, the Authority made the required contributions in the amount of \$77,546, and there were no unpaid pension liabilities outstanding at September 30, 2016.

The Authority does not provide any other post-employment benefit plans.

NOTE J – COMPENSATED ABSENCES

Employees earn vacation time annually, in varying amounts depending on tenure with the Authority. The Authority's policy allows employees to accumulate and carry-over up to one year of earned vacation. Additionally, employees are permitted to accumulate up to 420 hours of sick leave. This policy also allows for full payment of accrued vacation and sick leave upon termination, with certain specified exceptions. The Authority's leave liability accrual is divided and reported between current and non-current liabilities in the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – LONG TERM DEBT

In September of 2006, the Authority obtained a loan from Fannie Mae in the amount of \$2,275,000. The loan was issued to finance significant renovations to two of the Authority’s public housing properties. Monthly principal and interest payments of \$14,813 are paid out of the Authority’s Capital Fund Program. The loan bears interest at a rate of 4.75% and matures in February of 2025. The Authority has pledged a first priority security interest in the applicable Capital Fund Program grant funds to secure the loan. Interest expense incurred on the loan during the fiscal year was \$69,910. The outstanding principal balance as of September 30, 2016 was \$1,412,839 with a net amortized premium balance of \$585. Future projected debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2017	\$ 107,850	\$ 64,669	\$ 1,304,989
2018	118,581	59,179	1,186,408
2019	124,338	53,422	1,062,070
2020	130,374	47,385	931,696
2021	136,704	41,056	794,992
2022 - 2025	794,992	88,208	-
	<u>\$ 1,412,839</u>	<u>\$ 353,919</u>	<u>\$ -</u>

In December of 2007, the Authority obtained financing in the amount of \$876,894 under a lease purchase agreement from All Points Public Funding, LLC, to fund the installation & maintenance of energy efficient equipment and fixtures in the Authority’s public housing units. The agreement bears interest at a rate of 4.42%. Monthly principal and interest payments of \$8,092 are payable through August of 2020. The agreement is secured by the equipment and fixtures. Interest expense incurred under the agreement during the fiscal year was \$24,249. The principal balance at September 30, 2016 was \$328,460. Future projected debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2017	\$ 84,281	\$ 12,824	\$ 244,179
2018	88,082	9,022	156,097
2019	92,056	5,049	64,041
2020	64,041	1,072	-
	<u>\$ 328,460</u>	<u>\$ 27,967</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – LONG TERM DEBT - CONTINUED

A summary of long term liabilities as of September 30, 2016, is as follows:

	October 1, <u>2015 Balance</u>	<u>Increase</u>	<u>Decrease</u>	September 30, <u>2016 Balance</u>	<u>Due Within One Year</u>
CFFP Loan Payable	\$ 1,520,688	\$ -	\$ 107,849	\$ 1,412,839	\$ 107,850
CFFP Loan Premium	645	-	60	585	60
EPC Lease Purchase Agreement	409,109	-	80,649	328,460	84,281
Compensated Absences	136,882	89,912	156,430	70,364	60,555
FSS Escrow Liability	158,496	67,494	-	225,990	-
Less: Current portion	(257,263)			(252,746)	
Long Term Liabilities	<u>\$ 1,968,557</u>	<u>\$ 157,406</u>	<u>\$ 344,988</u>	<u>\$ 1,785,492</u>	<u>\$ 252,746</u>

NOTE L – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE M – RESTRICTED CASH AND RESTRICTED NET POSITION

The Authority's restricted cash consists of the following as of the end of the fiscal year:

Held for Housing Assistance Payments	\$ 22,074
Debt Service Reserves	93,228
FSS Escrow Funds	225,990
Total Restricted Cash	<u>\$ 341,292</u>

There is no off-setting liability for funds held for housing assistance payments and debt service reserves. Therefore, \$115,302 is reported as Restricted Net Position in the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – CAPITAL ASSETS

A summary of Capital Assets as of September 30, 2016, is as follows:

	PUBLIC HOUSING & CFP	SECTION 8 HOUSING CHOICE VOUCHER	COCC	TOTAL
Land	\$ 899,869	\$ -	\$ 35,060	\$ 934,929
Building and Improvements	17,219,404	-	128,330	17,347,734
Furniture, Fixtures and Equipment	89,029	35,321	80,232	204,582
Construction in Process	186,887	-	-	186,887
Less Accumulated Depreciation	<u>(11,355,509)</u>	<u>(34,939)</u>	<u>(191,506)</u>	<u>(11,581,954)</u>
Total Capital Assets	<u>\$ 7,039,680</u>	<u>\$ 382</u>	<u>\$ 52,116</u>	<u>\$ 7,092,178</u>

	October 1, 2015 <u>Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	September 30, 2016 <u>Balance</u>
Land	\$ 934,929	\$ -	\$ -	\$ 934,929
Construction in Process	<u>236,654</u>	<u>349,128</u>	<u>(398,895)</u>	<u>186,887</u>
Total Assets not being depreciated	1,171,583	349,128	(398,895)	1,121,816
Buildings and Improvements	16,948,839	-	398,895	17,347,734
Furniture and Equipment	<u>204,582</u>	<u>-</u>	<u>-</u>	<u>204,582</u>
Total Capital Assets	18,325,004	349,128	-	18,674,132
Less Accumulated Depreciation				
Buildings and Improvements	(10,660,183)	(764,195)	-	(11,424,378)
Furniture and Equipment	<u>(144,709)</u>	<u>(12,867)</u>	<u>-</u>	<u>(157,576)</u>
Net Book Value	<u>\$ 7,520,112</u>	<u>\$ (427,934)</u>	<u>\$ -</u>	<u>\$ 7,092,178</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through May 5, 2017, the date the financial statements were issued.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
SEPTEMBER 30, 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Public Housing & Capital Fund Programs	Community Development Block Grant	Housing Choice Voucher Program	Section 8 Moderate Rehabilitation SRO	Family Self Sufficiency under ROSS	HOME Investment Partnerships	State/ Local	COCC	Elimination	Total Enterprise Fund
<u>Current Assets</u>										
Cash and Cash Equivalents	\$ 681,170	\$ -	\$ 384,698	\$ -	\$ -	\$ -	\$ -	\$ 808,812	\$ -	\$ 1,874,680
Accounts Receivable - Grants	7,187	-	-	-	13,507	20,519	-	-	-	41,213
Accounts Receivable - Other	22,441	-	14,262	-	-	-	-	-	-	36,703
Tenants Accounts Receivable	17,200	-	-	-	-	-	-	-	-	17,200
Allowance for Doubtful Accounts	(7,538)	-	-	-	-	-	-	-	-	(7,538)
Accrued Interest Receivable	51	-	57	-	-	-	-	-	-	108
Investments	365,654	-	306,693	-	-	-	-	-	-	672,347
Prepaid Costs	36,119	-	1,841	-	-	-	-	2,257	-	40,217
Inventory	73,828	-	-	-	-	-	-	-	-	73,828
Inter-program Receivable	12,778	-	-	24,685	-	-	-	-	(37,463)	-
Total Current Assets	1,208,890	-	707,551	24,685	13,507	20,519	-	811,069	(37,463)	2,748,758
<u>Restricted Assets</u>										
Cash and Cash Equivalents	93,228	-	248,064	-	-	-	-	-	-	341,292
Total Restricted Assets	93,228	-	248,064	-	-	-	-	-	-	341,292
<u>Capital Assets</u>										
Land	899,869	-	-	-	-	-	-	35,060	-	934,929
Buildings and Improvements	17,219,404	-	-	-	-	-	-	128,330	-	17,347,734
Furniture & Equipment	89,029	-	35,321	-	-	-	-	80,232	-	204,582
Construction in Progress	186,887	-	-	-	-	-	-	-	-	186,887
	18,395,189	-	35,321	-	-	-	-	243,622	-	18,674,132
(Less): Accumulated Depreciation	(11,355,509)	-	(34,939)	-	-	-	-	(191,506)	-	(11,581,954)
Net Capital Assets	7,039,680	-	382	-	-	-	-	52,116	-	7,092,178
Total Assets	8,341,798	-	955,997	24,685	13,507	20,519	-	863,185	(37,463)	10,182,228
<u>Deferred Outflows of Resources</u>										
	-	-	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 8,341,798	\$ -	\$ 955,997	\$ 24,685	\$ 13,507	\$ 20,519	\$ -	\$ 863,185	\$ (37,463)	\$ 10,182,228

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
SEPTEMBER 30, 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Public Housing & Capital Fund Programs	Community Development Block Grant	Housing Choice Voucher Program	Section 8 Moderate Rehabilitation SRO	Family Self Sufficiency under ROSS	HOME Investment Partnerships	State/ Local	COCC	Elimination	Total Enterprise Fund
<u>Current Liabilities</u>										
Accounts Payable	\$ 18,916	\$ -	\$ 1,314	\$ -	\$ -	\$ -	\$ -	\$ 8,275	\$ -	\$ 28,505
Accrued Wages and Payroll Taxes	12,293	-	6,442	-	729	-	-	6,376	-	25,840
Accrued Compensated Absences	17,498	-	13,596	-	-	-	-	29,461	-	60,555
Tenant Security Deposits	57,015	-	-	-	-	-	-	-	-	57,015
Unearned Revenue	24,083	-	-	-	-	-	-	-	-	24,083
Current Portion of Capital Debt	192,191	-	-	-	-	-	-	-	-	192,191
Accrued Liabilities - Other	28,644	-	-	-	-	-	-	-	-	28,644
Inter-program Payable	-	-	4,166	-	12,778	20,519	-	-	(37,463)	-
Total Current Liabilities	350,640	-	25,518	-	13,507	20,519	-	44,112	(37,463)	416,833
<u>Long Term Liabilities</u>										
Long Term Capital Debt	1,549,693	-	-	-	-	-	-	-	-	1,549,693
FSS Escrow Liability	-	-	225,990	-	-	-	-	-	-	225,990
Accrued Compensated Absences	4,232	-	968	-	-	-	-	4,609	-	9,809
Total Long Term Liabilities	1,553,925	-	226,958	-	-	-	-	4,609	-	1,785,492
Total Liabilities	1,904,565	-	252,476	-	13,507	20,519	-	48,721	(37,463)	2,202,325
<u>Deferred Inflows of Resources</u>										
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,904,565	-	252,476	-	13,507	20,519	-	48,721	(37,463)	2,202,325
<u>Net Position</u>										
Net Investment in Capital Assets	5,297,796	-	382	-	-	-	-	52,116	-	5,350,294
Restricted Net Position	93,228	-	22,074	-	-	-	-	-	-	115,302
Unrestricted Net Position	1,046,209	-	681,065	24,685	-	-	-	762,348	-	2,514,307
Total Net Position	6,437,233	-	703,521	24,685	-	-	-	814,464	-	7,979,903
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 8,341,798	\$ -	\$ 955,997	\$ 24,685	\$ 13,507	\$ 20,519	\$ -	\$ 863,185	\$ (37,463)	\$ 10,182,228

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
SCHEDULE OF INCOME, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Public Housing & Capital Fund Programs	Community Development Block Grant	Housing Choice Voucher Program	Section 8 Moderate Rehabilitation SRO	Family Self Sufficiency under ROSS	HOME Investment Partnerships	State/ Local	COCC	Elimination	Total Enterprise Fund
Operating Revenues										
Tenant Revenue	\$ 1,017,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,000)	\$ 997,370
Operating Grants	1,326,221	-	9,258,107	30,835	44,401	48,076	1,000	-	-	10,708,640
Other Revenue	36,022	-	84,020	-	-	-	-	604,260	(604,260)	120,042
Total Operating Revenues	2,379,613	-	9,342,127	30,835	44,401	48,076	1,000	604,260	(624,260)	11,826,052
Operating Expenses										
Administrative	597,755	-	704,412	-	-	-	1,000	514,133	(624,260)	1,193,040
Tenant Services	7,990	-	-	-	44,401	-	-	11,924	-	64,315
Utilities	408,288	-	-	-	-	-	-	-	-	408,288
Maintenance and Operations	667,707	-	820	-	-	-	-	22,087	-	690,614
Protective Services	18,878	-	-	-	-	-	-	-	-	18,878
General Expense	290,999	-	82,282	-	-	-	-	33,406	-	406,687
Housing Assistance Payments	-	-	8,306,724	18,804	-	48,076	-	-	-	8,373,604
Depreciation	771,332	-	1,494	-	-	-	-	4,236	-	777,062
Total Operating Expenses	2,762,949	-	9,095,732	18,804	44,401	48,076	1,000	585,786	(624,260)	11,932,488
Operating Income (Loss)	(383,336)	-	246,395	12,031	-	-	-	18,474	-	(106,436)
Non-Operating Revenues (Expenses)										
Investment Income	1,077	-	678	-	-	-	-	234	-	1,989
Interest Expense	(94,159)	-	-	-	-	-	-	-	-	(94,159)
Total Non-Operating Rev/(Exp)	(93,082)	-	678	-	-	-	-	234	-	(92,170)
Increase (decrease) before Capital Contributions	(476,418)	-	247,073	12,031	-	-	-	18,708	-	(198,606)
Capital Contributions	352,080	104,897	-	-	-	-	-	-	-	456,977
Increase (Decrease) in Net Position	(124,338)	104,897	247,073	12,031	-	-	-	18,708	-	258,371
Net Position, Beginning	6,456,674	-	456,448	12,654	-	-	-	795,756	-	7,721,532
Net Position Transfers	104,897	(104,897)	-	-	-	-	-	-	-	-
Net Position, Ending	\$ 6,437,233	\$ -	\$ 703,521	\$ 24,685	\$ -	\$ -	\$ -	\$ 814,464	\$ -	\$ 7,979,903

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	IN36P02250113	IN36P02250114
Funds Approved	\$ 389,957	\$ 453,355
Funds Expended	389,957	453,355
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 389,957	\$ 453,355
Funds Expended	389,957	453,355
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF
BLOOMINGTON, INDIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2016

EXPENDITURES

Community Development Block Grant - Passed through the City of Bloomington Total CFDA Number 14.218	<u>\$ 104,897</u>
HOME Investment Partnerships Total CFDA Number 14.239	<u>48,076</u>
Section 8 Moderate Rehabilitation - SRO Total CFDA Number 14.249	<u>30,835</u>
Low Rent Public Housing Expenditures Total CFDA Number 14.850a	<u>1,206,409</u>
Section 8 Housing Choice Voucher Program Total CFDA Number 14.871	<u>9,258,107</u>
Public Housing Capital Fund Program Total CFDA Number 14.872	<u>471,892</u>
Public Housing FSS Under ROSS Total CFDA Number 14.877	<u>44,401</u>
TOTAL HUD EXPENDITURES	<u>1,827,599</u>
TOTAL FEDERAL EXPENDITURES	<u><u>\$ 11,164,617</u></u>

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2016

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

Is noncompliance that could have a material effect on the financial statements identified? Yes No

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

Type of report issued on compliance with requirements applicable to each major program: Unmodified

Are there any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance? Yes No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Section 8 Housing Choice Voucher Program	14.871

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

Is the auditee identified as a low-risk auditee? Yes No

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2016

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

Section III: Federal Award Findings and Questioned Costs:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None