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January 9, 2020

Board of Commissioners
St. Joseph County Housing Authority
107 W. Center St.
North Liberty, IN 46554

We have received the audit report of the St. Joseph County Housing Authority, which was opined upon by Barrale Renshaw Sailor Khan, LLC, Independent Public Accountants, for the period October 1, 2016 to September 30, 2017. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the St. Joseph County Housing Authority as of September 30, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

Paul D. Joyce, CPA
State Examiner

ST. JOSEPH COUNTY HOUSING AUTHORITY
NORTH LIBERTY, INDIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
AND
REPORTS ON COMPLIANCE AND
ON INTERNAL CONTROL

ST. JOSEPH COUNTY HOUSING AUTHORITY
North Liberty, Indiana

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SEPTEMBER 30, 2017

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SECTION I
AUDITOR'S REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
St. Joseph County Housing Authority
North Liberty, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the St. Joseph County Housing Authority, Indiana, (Authority), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the St. Joseph County Housing Authority'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 an opinion 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 St. Joseph County Housing 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 St. Joseph County Housing 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Joseph County Housing Authority, as of September 30, 2017 and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii through vi 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

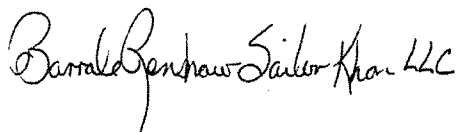
Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Joseph County Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Financial Data Schedule - HUD Prescribed Format are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 above described supplementary information is 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 June 29, 2018 on our consideration of the St. Joseph County Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering the St. Joseph County Housing Authority's internal control over financial reporting and compliance.



Barrale Renshaw Sailor Khan, LLC
St. Louis, Missouri
June 29, 2018

St. Joseph County Housing Authority

Management's Discussion and Analysis (MD&A) September 30, 2017 (Unaudited)

This section of the Housing Authority of the County of St. Joseph, Indiana (Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on September 30, 2017. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets, all deferred outflows of resources, all liabilities, and all deferred inflows of resources, associated with the operation of these funds are included on the Statement of Net Position. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL HIGHLIGHTS

- The term "net position" refers to the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The Authority's total net position as of September 30, 2017 was \$67,461. The net position increased by \$11,039, an increase of 19.6% over the prior year.
- Revenues for the Authority were \$1,015,699 for the year ended September 30, 2017. This was a decrease of \$41,790 or 4.0% from the prior year.
- Expenses for the Authority were \$1,004,660 for the year ended September 30, 2017. This was a decrease of \$40,757 or 3.9% from the prior year.
- HUD PHA operating grants for the Authority was \$965,007 for the year ended September 30, 2017, a decrease of \$54,594 or 5.4% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets and deferred outflows of resources) and obligations of the Authority creditors (liabilities and deferred inflows of resources). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

St. Joseph County Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

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 and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Data*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2017 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table below, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,461 at the close of the year ended September 30, 2017 up from \$56,422 in fiscal year 2016. The increase in net position of \$11,039 was due to the reasons noted below.

- Current assets increased \$4,632 from FY 2016 due to a \$4,298 increase in balance due from other housing authorities for port-in voucher assistance.
- Restricted assets consist of cash and investments and increased \$5,353 from FY 2016. Increase in restricted assets was due to an increase in funding for housing assistance payments not yet utilized.
- Current liabilities decreased \$1,054 due to a \$2,939 decrease in accounts payable. This was partially offset by a \$1,885 increase in unearned revenue for administrative fees received, not yet earned.

The unrestricted net position were \$25,888 as of September 30, 2017. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays for three months. The restricted net position was \$25,888 as of September 30, 2017. This amount may only be used for housing assistance payments in the Housing Choice Voucher program. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

**St. Joseph County Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

FINANCIAL ANALYSIS (CONTINUED)

*Condensed Statements of Net Position
September 30,*

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 41,003	\$ 36,371	\$ 4,632	12.7%
Restricted assets	29,734	24,381	5,353	22.0%
Total Assets	<u>70,737</u>	<u>60,752</u>	<u>9,985</u>	16.4%
Current liabilities	<u>3,276</u>	<u>4,330</u>	<u>(1,054)</u>	-24.3%
Total Liabilities	<u>3,276</u>	<u>4,330</u>	<u>(1,054)</u>	-24.3%
Net Position				
Restricted for HAP	36,141	36,141	0	0.0%
Unrestricted	<u>31,320</u>	<u>20,281</u>	<u>11,039</u>	54.4%
Total Net Position	<u>\$ 67,461</u>	<u>\$ 56,422</u>	<u>\$ 11,039</u>	19.6%

While the Statement of Net Position shows the change in financial position of net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

*Condensed Statements of Revenues, Expenses
and Changes in Net Position
Year Ended September 30,*

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues and Contributions				
Operating - non-operating -capital contributions:				
HUD operating grants	965,007	\$ 1,019,601	(54,594)	-5.4%
Interest income	11	7	4	57.1%
Other income	<u>50,681</u>	<u>37,881</u>	<u>12,800</u>	33.8%
Total Revenues and Contributions	<u>1,015,699</u>	<u>1,057,489</u>	<u>(41,790)</u>	-4.0%
Expenses				
Personal services	57,511	54,477	3,034	5.6%
Insurance	2,031	2,615	(584)	-22.3%
Other supplies and expenses	25,971	25,905	66	0.3%
Housing assistance payments	<u>919,147</u>	<u>962,420</u>	<u>(43,273)</u>	-4.5%
Total Expenses	<u>1,004,660</u>	<u>1,045,417</u>	<u>(40,757)</u>	-3.9%
Change in net position	11,039	12,072	(1,033)	
Beginning net position	<u>56,422</u>	<u>44,350</u>	<u>12,072</u>	
Ending net position	<u>\$ 67,461</u>	<u>\$ 56,422</u>	<u>\$ 11,039</u>	

**St. Joseph County Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

FINANCIAL ANALYSIS (CONTINUED)

As can be seen in the table above, total revenues decreased \$41,790 due to the reasons noted below.

- HUD PHA operating grants decreased \$54,594 or 5.4% from FY 2016 due to a decrease in funding received for housing assistance of \$43,602 or 4.7% and a decrease in funding received for administrative fees of \$10,992 or 11.4%.
- Other income increased \$12,800 from FY 2016 due to an increase in revenue from portability vouchers.
- Investment income increased \$4 from FY 2016.

Total expenses decreased \$40,757 due to the reasons noted below.

- Personal services increased \$3,034 or 5.6% from FY 2016 due to an increase in employee wages of \$7,417 or 17.3%, which was a partially offset by a decrease in employee benefits of \$4,383 or 38.2%.
- Insurance decreased \$584 or 22.3% from FY 2016 mostly due to a decrease in liability insurance of \$512 or 22.0%.
- Other supplies and expense increased \$66 or 0.3% from FY 2016.
- Housing assistance payments decreased \$43,273 or 4.5% due to a 7.3% decrease in number of vouchers issued and outstanding.

The Authority is authorized to assist 224 households with the Housing Choice Voucher Rental Assistance Program. The Section 8 lease-up rate for fiscal year ended September 30, 2017 was 73.8%, down from 79.6% in FY 2016.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Authority is eligible to receive continuing budget authority during FY 2018 for assisting participants in the Housing Choice Voucher program. In addition to continuing budget authority the Authority also has \$41,573 available in HAP Reserves and \$26,594 in HUD-Held Program Reserves to be used for housing assistance payments. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2018 and adjusted for pro-ration which is estimated at 76%.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Executive Director, Housing Authority of the County of St. Joseph, 107 W. Center Street, P.O. Box 425, North Liberty, IN 46554.

SECTION II
FINANCIAL STATEMENTS
AND
NOTES TO FINANCIAL STATEMENTS

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

STATEMENT OF NET POSITION

September 30, 2017

ASSETS

Current Assets:

Receivable - net of allowances:

Accounts	\$	40,669
Prepaid expenses		334
Restricted cash and cash equivalents		<u>29,734</u>

Total current assets		<u>70,737</u>
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Total Assets		<u>70,737</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		266
Unearned revenues		<u>3,010</u>

Total Current Liabilities		<u>3,276</u>
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Total Liabilities		<u>3,276</u>
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NET POSITION

Restricted for:

HAP		36,141
Unrestricted		<u>31,320</u>

Total Net Position	\$	<u><u>67,461</u></u>
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See notes to financial statements

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

For Year Ended September 30, 2017

Operating Revenues:	
Operating subsidies- HUD grants	\$ 965,007
Other revenues	<u>50,681</u>
Total operating revenues	<u>1,015,688</u>
Operating Expenses:	
Personal services	57,511
Insurance	2,031
Other supplies and expenses	25,971
Housing assistance payments	<u>919,147</u>
Total operating expenses	<u>1,004,660</u>
Operating income (loss)	<u>11,028</u>
Non-operating revenues (expenses):	
Interest and investment earnings	<u>11</u>
Net non-operating revenues (expenses)	<u>11</u>
Change in net position	11,039
Net position at beginning of year	<u>56,422</u>
Net position at end of year	<u><u>\$ 67,461</u></u>

See notes to financial statements

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

STATEMENT OF CASH FLOWS

For Year Ended September 30, 2017

Cash flows from operating activities:

Cash received from HUD grants- operating	966,892
Cash received from other operating activities	46,383
Cash payments for goods and services	(950,422)
Cash payments to employees-salaries	(50,417)
Cash payments for employee benefit contributions	<u>(7,094)</u>

Net cash provided (used) by operating activities 5,342

Cash flows from investing activities:

Interest and dividends	<u>11</u>
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Net cash provided (used) from investing activities 11

Net increase (decrease) in cash and cash equivalents 5,353

Cash and cash equivalents at beginning of year 24,381

Cash and cash equivalents at end of year \$ 29,734

Cash and cash equivalents \$ ----

Restricted cash and cash equivalents 29,734

Total cash and cash equivalents at end of year \$ 29,734

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ 11,028
Changes in assets and liabilities:	
Receivables	(4,298)
Prepaid expenses	(334)
Accounts and other payables	(2,939)
Unearned revenues	<u>1,885</u>

Net cash provided (used) by operating activities \$ 5,342

See notes to financial statements

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

September 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1c. Basis of Presentation (Continued)

Following is a description of the Authority's programs:

Program	Brief Description
Housing Choice Vouchers	Accounts for activities of the Voucher program which assists very low-income families, the elderly, and the disabled to afford decent, safe and sanitary housing in the private market.

1d. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the financial statements, the “economic resources” measurement focus is used as follows:

- ▶ The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1e. Assets, Liabilities, and Equity

Cash

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

September 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Assets, Liabilities, and Equity (Continued)

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Accounts receivable - other government and accounts receivable miscellaneous compose the majority of receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Budgets and Budgetary Accounting

The 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 Department of Housing and Urban Development for their approval, if required.

Estimates and Assumptions

The Authority uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses.

Restricted Assets

Restricted assets include cash and investments legally restricted as to their use. The primary restricted assets are related to Housing Choice Vouchers which is a HUD program.

Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. The Authority had no related debt.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

September 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1f. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Non-operating revenues and expenses are those that are not operating in nature.

NOTE 2 - Stewardship, Compliance, and Accountability

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2a. Program Accounting Requirements

The Authority complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

Program	Required By
Housing Choice Vouchers	U.S. Department of Housing and Urban Development

2b. Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of the Authority in financial institutions must be secured with acceptable collateral valued at the lower of market or par. All financial institutions pledging collateral to the Authority must have a written collateral agreement. As reflected in Note 3a., all deposits were fully insured or collateralized.

Investments of the Authority are limited by state law to the following:

- a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which acceptable collateral is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral.

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

September 30, 2017

NOTE 3 - Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3a. Cash

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it or the Authority will not be able to recover collateral securities in the possession of an outside party. As of September 30, 2017, the Authority's bank balances of \$29,734, were insured by federal depository insurance or collateralized with securities held by the pledging financial institutions in the Authority's name.

3b. Restricted Cash and Cash Equivalents

The restricted cash and cash equivalents as of September 30, 2017, are as follows:

<u>Type of Restricted Cash and Cash Equivalents</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Total</u>
Unspent HAP	\$ 29,734	\$ ----	\$ 29,734
	<u>\$ 29,734</u>	<u>\$ ----</u>	<u>\$ 29,734</u>

3c. Accounts Receivable

Receivables detail at September 30, 2017, is as follows:

Accounts receivable - other government	4,298
Accounts receivable - other	<u>36,371</u>
	<u>\$ 40,669</u>

3d. Capital Assets

The Housing Authority had no capital asset at September 30, 2017.

3e. Accounts Payable

Accounts payable at September 30, 2017, consists of accounts payable-vendors in the amount of \$266.

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

September 30, 2017

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3f. Compensated Absences

The Housing Authority had no liability for compensated absences at September 30, 2017.

NOTE 4 - Other Notes

4a. Employee Retirement Plan

The St. Joseph County Housing Authority does not provide a retirement or pension benefits plan for its employees.

4b. Risk Management

The 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 Authority manages these various risks of loss as follows:

Type of Loss	Method Managed
a. Torts, errors and omissions	Purchased insurance with Mount Vernon Fire Insurance Company.
b. Injuries to employees (workers' compensation)	Purchased insurance with Indiana Farm Bureau Insurance; Claims are administered by Indiana Form Bureau Insurance.
c. Physical property loss and natural disasters	Purchased commercial insurance with Indiana Farm Bureau Insurance with a \$1,000 deductibles.
d. Health	Health insurance is reimbursed to employee.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

4c. Economic Dependency

The St. Joseph County Housing Authority receives a significant portion of its revenue from funds provided through Federal grants. The grant amounts are appropriated each year at the Federal level. The amount of the funds the Authority receives could be reduced significantly and have an adverse impact on its operations.

4d. Contingencies

The 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 Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
NOTES TO THE SCHEDULE OF FEDERAL AWARDS**

Year Ended September 30, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Fiscal Year</u>	<u>Federal Grantor</u>	<u>Federal CFDA No.</u>	<u>Expenditures</u>
	<u>U.S. Department of HUD</u>		
	<u>Low Income Public Housing Major - Direct Program</u>		
2017	Housing Choice Vouchers	14.871	\$ <u>965,007</u>
	Total		\$ <u>965,007</u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

NOTE 1 - Significant Accounting Policies

The schedule of federal awards has been prepared on the accrual basis of accounting.

EXHIBIT A
FINANCIAL DATA SCHEDULE

Housing Authority of the County of St. Joseph (IN100)
 North Liberty, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted			
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	\$29,734	\$29,734	\$29,734
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$29,734	\$29,734	\$29,734
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government	\$4,298	\$4,298	\$4,298
125 Accounts Receivable - Miscellaneous	\$36,371	\$36,371	\$36,371
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts - Tenants			
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$40,669	\$40,669	\$40,669
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$334	\$334	\$334
143 Inventories			

Housing Authority of the County of St. Joseph (IN100)
 North Liberty, IN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$70,737	\$70,737	\$70,737
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration			
165 Leasehold Improvements			
166 Accumulated Depreciation			
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$0	\$0	\$0
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$70,737	\$70,737	\$70,737

Housing Authority of the County of St. Joseph (IN100)
North Liberty, IN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14,871 Housing Choice Vouchers	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$266	\$266	\$266
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits			
342 Unearned Revenue	\$3,010	\$3,010	\$3,010
343 Current Portion of Long-term Debt - Capital			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$3,276	\$3,276	\$3,276
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			

Housing Authority of the County of St. Joseph (IN100)
 North Liberty, IN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$0	\$0	\$0
300 Total Liabilities	\$3,276	\$3,276	\$3,276
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets			
511.4 Restricted Net Position	\$36,141	\$36,141	\$36,141
512.4 Unrestricted Net Position	\$31,320	\$31,320	\$31,320
513 Total Equity - Net Assets / Position	\$67,461	\$67,461	\$67,461
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$70,737	\$70,737	\$70,737

Housing Authority of the County of St. Joseph (IN100)
North Liberty, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$965,007	\$965,007	\$965,007
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$11	\$11	\$11
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$50,681	\$50,681	\$50,681
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$1,015,699	\$1,015,699	\$1,015,699
91100 Administrative Salaries	\$50,417	\$50,417	\$50,417

Housing Authority of the County of St. Joseph (IN100)
North Liberty, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
91200 Auditing Fees	\$4,690	\$4,690	\$4,690
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$7,094	\$7,094	\$7,094
91600 Office Expenses	\$7,885	\$7,885	\$7,885
91700 Legal Expense	\$633	\$633	\$633
91800 Travel	\$737	\$737	\$737
91810 Allocated Overhead			
91900 Other	\$11,761	\$11,761	\$11,761
91000 Total Operating - Administrative	\$83,217	\$83,217	\$83,217
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water			
93200 Electricity			
93300 Gas			
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			

Housing Authority of the County of St. Joseph (IN100)
North Liberty, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14,871 Housing Choice Vouchers	Subtotal	Total
93800 Other Utilities Expense			
93000 Total Utilities	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and			
94300 Ordinary Maintenance and Operations Contracts			
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$0	\$0	\$0
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance			
96120 Liability Insurance	\$1,817	\$1,817	\$1,817
96130 Workmen's Compensation	\$214	\$214	\$214
96140 All Other Insurance			
96100 Total insurance Premiums	\$2,031	\$2,031	\$2,031
96200 Other General Expenses	\$265	\$265	\$265
96210 Compensated Absences			
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			

Housing Authority of the County of St. Joseph (IN100)
North Liberty, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$265	\$265	\$265
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$85,513	\$85,513	\$85,513
97000 Excess of Operating Revenue over Operating Expenses	\$930,186	\$930,186	\$930,186
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$874,070	\$874,070	\$874,070
97350 HAP Portability-In	\$45,077	\$45,077	\$45,077
97400 Depreciation Expense			
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$1,004,660	\$1,004,660	\$1,004,660
10010 Operating Transfer In			
10020 Operating transfer Out			

Housing Authority of the County of St. Joseph (IN100)
North Liberty, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$11,039	\$11,039	\$11,039
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$56,422	\$56,422	\$56,422
11040 Prior Period Adjustments, Equity Transfers and Correction			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity	\$25,888	\$25,888	\$25,888
11180 Housing Assistance Payments Equity	\$41,573	\$41,573	\$41,573

Housing Authority of the County of St. Joseph (IN100)
North Liberty, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2017

	14.871 Housing Choice Vouchers	Subtotal	Total
11190 Unit Months Available	2139	2139	2139
11210 Number of Unit Months Leased	1984	1984	1984
11270 Excess Cash			
11610 Land Purchases			
11620 Building Purchases			
11630 Furniture & Equipment - Dwelling Purchases			
11640 Furniture & Equipment - Administrative Purchases			
11650 Leasehold Improvements Purchases			
11660 Infrastructure Purchases			
13510 CFFP Debt Service Payments			
13901 Replacement Housing Factor Funds			

SECTION III
REPORTS ON COMPLIANCE
AND
ON INTERNAL CONTROL

**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**

Board of Commissioners
St. Joseph County Housing Authority
North Liberty, 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 St. Joseph County Housing Authority, Indiana, (Authority), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise St. Joseph County Housing Authority's basic financial statements, and have issued our report thereon dated June 29, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. . 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. The deficiency is shown listed starting on page 8.

Compliance and Other Matters

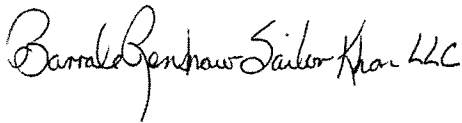
As part of obtaining reasonable assurance about whether the St. Joseph County Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs. The deficiency is shown on page 8.

St. Joseph County Housing Authority, Indiana's Response to Findings

The St. Joseph County Housing Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The St. Joseph County Housing Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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.



Barrale Renshaw Sailor Khan, LLC
St. Louis, Missouri
June 29, 2018

**Independent Auditor's Report on Compliance For Each Major Federal Program;
Report on Internal Control over Compliance Required by Uniform Guidance**

Board of Commissioners
St. Joseph County Housing Authority
North Liberty, Indiana

Report on Compliance for Each Major Federal Program

We have audited the St. Joseph County 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 St. Joseph County Housing Authority's major federal programs for the year ended September 30, 2017. The St. Joseph County Housing Authority'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 St. Joseph County Housing Authority'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 the major federal programs occurred. An audit includes examining, on a test basis, evidence about the St. Joseph County Housing 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 with each major program. However, our audit does not provide a legal determination of the St. Joseph County Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the St. Joseph County Housing Authority 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 identified above for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the St. Joseph County Housing 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 St. Joseph County Housing Authority'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 St. Joseph County Housing Authority's internal control over compliance.

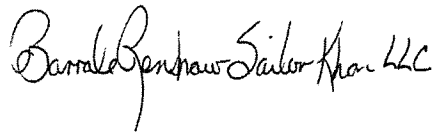
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirements 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 will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the 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*, as defined above. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the St. Joseph County Housing Authority, Indiana, as of and for the year ended September 30, 2017, and the related notes of the financial statements, which collectively comprise the St. Joseph County Housing Authority, Indiana's basic financial statements. We issued our report thereon dated June 29, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

A handwritten signature in black ink that reads "Barrale Renshaw Sailor Khan LLC". The signature is written in a cursive, flowing style.

Barrale Renshaw Sailor Khan, LLC
St. Louis, Missouri
June 29, 2018

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

SIGNIFICANT DEFICIENCIES COMMUNICATED IN PRIOR YEARS

September 30, 2017

The prior audit report for the year ended September 30, 2016 contained no significant deficiencies.

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2017

SECTION I - SUMMARY OF AUDITOR RESULTS

Financial Statement:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency (ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No
Is a "going concern" explanatory paragraph included in audit report?	No

Federal Awards:

Internal control over major programs:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Uniform Guidance</i> [2 CFR 20.516(a)]?	No

Identification of major programs:

CFDA	
Number(s)	Name of Federal Program
14-871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

September 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

The current audit report for the year ended September 30, 2017 disclosed the following Financial Statement audit finding:

2017-001 Missing Board Minutes

Criteria:

PHA should be able to provide minutes of meeting with the board for the fiscal year being audited.

Condition:

We noted that various minutes of meetings were not included for review by the PHA. These months include July of 2017 and September of 2017 based on the PHA's own schedule.

Questioned Costs:

None.

Effect:

Minutes of meeting are missing.

Cause:

The PHA did not place emphasis on ensuring that all minutes of meetings were ready and available for review.

Recommendation:

We recommend that the PHA ensure that all minutes are readily available for review.

View of Responsible Parties and Plan of Action:

- The current Executive Director has established a procedure in which all written copies of board meeting minutes, board packets and resolutions are placed in a Board Meeting Book for each fiscal year.
- The board meeting minutes are also compiled in an electronic folder designated for the audit for the fiscal year of 2017-2018.
- The board meeting minutes will be electronically sent to the auditor prior to the audit for the fiscal year of 2017-2018.

ST. JOSEPH COUNTY HOUSING AUTHORITY

North Liberty, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

September 30, 2017

SECTION III - FEDERAL AWARD FINDINGS

The current audit report for the year ended September 30, 2017 disclosed no Federal Awards audit findings.