



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B55116

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

April 29, 2020

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

We have reviewed the audit report of the Columbus Housing Authority, which was opined upon by Barry Gaudette, CPA, Independent Public Accountant, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Columbus Housing Authority as of June 30, 2019, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

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

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

**FOR THE YEAR ENDED JUNE 30, 2019
AND
REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

COLUMBUS HOUSING AUTHORITY
TABLE OF CONTENTS
JUNE 30, 2019

	Page
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Unaudited).....	4
Basic Financial Statements:	
Statement of Net Position.....	9
Statement of Revenue, Expenses, and Changes in Net Position.....	10
Statement of Cash Flows.....	11
Notes to Financial Statements.....	13
 OTHER INFORMATION	
Schedule of Expenditures of Federal Awards and Notes to the Schedule of Federal Awards.....	23
Financial Data Schedule.....	24
 REPORTS ON INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required on the Uniform Guidance.....	30
Status of Prior Audit Findings.....	32
Schedule of Findings and Questioned Costs:	
Section I - Summary of Auditor Results.....	33
Section II - Financial Statement Findings.....	33
Section III - Federal Awards Findings.....	33

INTRODUCTION

Barry E. Gaudette, CPA, PC
731 S. Garfield Avenue
Traverse City, Michigan 49686

Independent Auditor's Report

Board of Commissioners
Columbus Housing Authority
Columbus, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Columbus Housing Authority, Indiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Columbus Housing Authority, Indiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Columbus Housing Authority, Indiana, as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbus Housing Authority, Indiana's basic financial statements. The financial data schedule shown on pages 24 to 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2019, on our consideration of the Columbus Housing Authority, Indiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Columbus Housing Authority, Indiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Columbus Housing Authority, Indiana's internal control over financial reporting and compliance.

Barry E. Gaudette, CPA, PC

December 1, 2019

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2019
(Unaudited)

As management of the Housing Authority of the City of Columbus ("Authority"), we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Housing Authority's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,614,235.
- The Housing Authority's cash and investment balance at June 30, 2019 was \$1,592,292 representing an increase of \$6,756 from June 30, 2018.
- Department of Housing & Urban Development grants amounting to \$3,661,532 were reported as revenues, a decrease of \$60,001 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2019
(Continued)

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets exceeded liabilities by \$6,614,235 at the close of the most recent fiscal year.

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

Columbus Housing Authority – Net Position
June 30, 2019

ASSETS	2019	2018	Change
Current Assets	\$ 1,638,198	\$ 1,629,891	\$ 8,307
Capital Assets (Net)	5,293,603	5,420,743	(127,140)
Total Assets	6,931,801	7,050,634	(118,833)
LIABILITIES			
Current Liabilities	151,390	160,263	(8,873)
Long Term Liabilities	166,176	134,963	31,213
Total Liabilities	317,566	295,226	22,340
NET ASSETS			
Investment Cap Assets	5,293,603	5,420,743	(127,140)
Unrestricted	1,219,038	1,181,500	37,538
Restricted	101,594	153,165	(51,571)
Total Net Position	\$ 6,614,235	\$ 6,755,408	\$ (141,173)

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2019
(Continued)

FINANCIAL ANALYSIS (Continued)

Columbus Housing Authority – Changes in Net Position

For the Year Ended June 30, 2019

OPERATING REVENUE	2019	2018	Change
Dwelling Rental	\$ 349,707	\$ 357,575	\$ (7,868)
Tenant Revenue - Other	35,919	28,516	7,403
Total Operating Revenue	\$ 385,626	\$ 386,091	\$ (465)

OPERATING EXPENSES	2019	2018	Change
Administration	633,188	633,999	(811)
Tenant Services	21,044	42,872	(21,828)
Utilities	63,709	68,554	(4,845)
Ordinary Maintenance & Operations	276,757	284,117	(7,360)
General	167,775	152,026	15,749
Net Operating Expenses	1,162,473	1,181,568	(19,095)
Operating Income (Loss)	(776,847)	(795,477)	18,630

NON-OPERATING INCOME (EXPENSES)	2019	2018	Change
HUD Grants	\$ 3,661,532	\$ 3,721,533	\$ (60,001)
Interest on Investments	21,090	9,291	11,799
Other Revenue	162,009	188,661	(26,652)
Other Expense	(3,208,957)	(3,239,239)	30,282
Net Non-Operating Income	\$ 635,674	\$ 680,246	\$ (44,572)

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2019
(Continued)

FINANCIAL ANALYSIS (Continued)

NET ASSETS	2019	2018	Change
Beginning of Year	\$ 6,755,408	\$ 6,870,639	\$ (115,231)
Prior Period Adjustments	0	0	0
End of Year	\$ 6,614,235	\$ 6,755,408	\$ (141,173)

BUDGETS

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

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS	2019	2018
Land	\$ 3,360,190	\$ 3,360,190
Buildings	6,740,287	6,654,156
Furniture, Equipment & Machinery		
Dwellings		
Administrative	153,175	143,883
Leasehold Improvements		
Construction in Progress	72,110	56,187
Less Accumulated Depreciation	(5,032,159)	(4,793,673)
Net Capital Assets	\$ 5,293,603	\$ 5,420,743

FUTURE EVENTS (NEW BUSINESS)

Additionally, the Housing Authority plans on using capital funds to make misc. renovations to our properties and buildings. These budgeted amounts total \$213,143.

Columbus Housing Authority
Management's Discussion and Analysis (MD&A)
June 30, 2019
(Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Housing Authority received \$301,904 in operating subsidy for fiscal year end June 30, 2019. We have not been notified as to our subsidy eligibility for fiscal year end June 30, 2019, but estimate we will receive approximately \$268,695 in operating subsidy for fiscal year end June 30, 2019. The Authority budgeted \$120,000 in operations (1406 Operations) from the FFY 2019 capital funds and budgeted \$120,000 in operations (1406 Operations) from the FFY 2020 capital funds.

The Housing Authority received \$3,761 more in operating subsidy from HA fiscal year 2019 than in 2018. In the Low Rent program the Housing Authority closed out FYE June 30, 2019 with a \$81,693 gain which includes both Low Rent and CFP, exclusive of prior year adjustments and depreciation.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in the Housing Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, Columbus Housing Authority, 799 McClure Road, Columbus, Indiana 47201.

FINANCIAL STATEMENTS

Columbus Housing Authority
Statement of Net Position
June 30, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,592,292
Accounts receivable-tenants, net	5,385
Prepaid expenses	40,521
Total Current Assets	1,638,198

Capital Assets:

Land	3,360,190
Buildings	6,740,287
Equipment	153,175
Construction in Progress	72,110
	10,325,762
Less: accumulated depreciation	(5,032,159)
Net Capital Assets	5,293,603

Total Assets	\$ 6,931,801
--------------	--------------

LIABILITIES and NET POSITION

Current Liabilities:

Accounts payable	\$ 52,459
Accrued expenses	58,385
Tenant security deposit liability	37,986
Unearned revenue	2,560
Total Current Liabilities	151,390

Non-Current Liabilities:

Accrued compensated absences	45,019
Non-Current Liabilities - other	121,157
	166,176

Total Non-Current Liabilities	166,176
-------------------------------	---------

Total Liabilities	317,566
-------------------	---------

Net Position:

Net investment in capital assets	5,293,603
Restricted net position	101,594
Unrestricted net position	1,219,038
Total Net Position	6,614,235

Total Liabilities and Net Position	\$ 6,931,801
------------------------------------	--------------

See notes to financial statements

Columbus Housing Authority
Statement of Revenues, Expenses, And
Changes in Net Position
Year Ended June 30, 2019

OPERATING REVENUES:

Dwelling rent	\$ 385,626
Operating grants	<u>3,578,280</u>
Total operating revenues	<u>3,963,906</u>

OPERATING EXPENSES:

Administrative	633,188
Tenant services	21,044
Utilities	63,709
Maintenance	276,757
Insurance	62,030
General expenses	105,745
Extraordinary maintenance	45,024
Housing assistance payments	2,839,346
HAP Portability-In	78,933
Depreciation	<u>245,654</u>
Total operating expenses	<u>4,371,430</u>
Operating income (loss)	<u>(407,524)</u>

NONOPERATING REVENUES:

Investment interest income - Unrestricted	19,492
Investment interest income - Restricted	1,598
Fraud recovery	3,376
Other revenue	<u>158,633</u>
Total non operating revenues	<u>183,099</u>

CAPITAL CONTRIBUTIONS

	<u>83,252</u>
Change in net position	(141,173)
Net Position, beginning	<u>6,755,408</u>
Net Position, ending	<u><u>\$ 6,614,235</u></u>

See notes to financial statements

Columbus Housing Authority
Statement of Cash Flows
Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from dwelling and non dwelling rents	\$ 382,162
Cash received from operating grants	3,578,280
Cash payments to other suppliers of goods and services	(3,458,141)
Cash payments to employees for services	(640,409)
Cash payments for payments in lieu of taxes	<u>(2,045)</u>
Net cash (used) by operating activities	<u>(140,153)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Fraud recovery	4,137
Tenant security deposits	<u>(1,729)</u>
Net cash provided by noncapital financing activities	<u>2,408</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING

Payments for capital acquisitions	(111,346)
Disposal of property	(7,128)
Capital grants	<u>83,252</u>
Net cash (used) by capital and related financing activities	<u>(35,222)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Other revenue	158,633
Receipts of interest income - unrestricted	19,492
Receipts of interest income - restricted	<u>1,598</u>
Net cash provided by investing activities	<u>179,723</u>

Net increase (decrease) in cash 6,756

Cash and cash equivalents, beginning 1,585,536

Cash and cash equivalents, ending \$ 1,592,292

See notes to financial statements

Columbus Housing Authority
Statement of Cash Flows (Continued)
Year Ended June 30, 2019

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

Operating income (loss)	\$	(407,524)
Adjustments to reconcile operating (loss) to net cash provided (used)		
By operating activities:		
Depreciation		245,654
Allowance for doubtful accounts		344
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable-tenants		(1,341)
Accounts receivable-miscellaneous		(50)
Prepaid expenses		(1,305)
Increase (decrease) in liabilities:		
Accounts payable-trade		(11,492)
Accounts payable-HUD		255
Accrued wages/payroll taxes payable		(515)
PILOT		(2,045)
Accrued compensated absences		2,141
Accrued liabilities - other		(198)
Unearned revenue		(2,417)
Non-current liabilities – other		38,340
		38,340
Net cash (used) by operating activities	\$	(140,153)

See notes to financial statements

Columbus Housing Authority
Notes to Financial Statements
June 30, 2019

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

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

1. Reporting Entity

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

Low Income Public Housing

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

Public Housing Capital Fund

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

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

1. Reporting Entity (Continued)

Section 8 Housing Choice Vouchers

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

Disaster Voucher Program

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

Supportive Housing for Persons with Disabilities

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

PIH Family Self-Sufficiency Program

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

State and Local

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

Business Activities

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

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

2. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

3. Measurement Focus

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

4. Basis of Accounting

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Housing Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

5. Budgets and Budgetary Accounting

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

6. Cash and Cash Equivalents

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

7. Tenant Accounts Receivable and Allowance for Bad Debts

Accounts receivable have been adjusted for all known uncollectible accounts.

8. Prepaid Expenses

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

9. Compensated Absences

Housing Authority employees are granted vacation days, personal time, comp time, and sick leave in varying amounts. In the event of termination, retirement, or death, an employee is paid for all accumulated vacation days and personal time as well as up to an additional 160 hours of accumulated comp time according to contract or personnel policies. However, accumulated sick leave is not payable to employees upon termination, retirement, or death.

10. Inter-Program Activity

During the course of operations, transactions occur within individual programs that may result in amounts owed or transfers between programs. Offsetting inter-program receivables and payables as well as offsetting inter-program transfers are eliminated for financial statement presentation. For the year ended June 30, 2019, there were no inter-program receivables or payable, and there was \$120,000 in operating transfers.

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

11. Buildings and Equipment

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

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

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

12. Income Taxes

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

13. Use of Estimates

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

14. Deferred Outflows/Inflows of Resources

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

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

15. Unearned Revenue

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

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

16. Comparative Data

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

17. Net Position

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

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

18. Subsequent Events

The financial statements and related disclosures include evaluation of events through and including December 1, 2019, which is the date the financial statements were available to be issued.

NOTE B: CASH AND CASH EQUIVALENTS

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

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

Cash – operations	<u>\$ 1,592,292</u>
Total	<u>\$ 1,592,292</u>

The above deposits are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of June 30, 2019:

Bank deposits (checking, savings, and treasury obligation accounts)	\$ 1,592,092
Petty cash	<u>200</u>
Total	<u>\$ 1,592,292</u>

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

NOTE C: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Balance 06/30/18</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Balance 06/30/2019</u>
Low Rent Program				
Land	\$ 3,360,190	\$ 0	\$ 0	\$ 3,360,190
Buildings	6,567,785	86,131	0	6,653,916
Furniture, equipment & machinery - dwellings	0	0	0	0
Furniture, equipment & machinery - administration	93,640	5,276	0	98,916
Construction in progress	56,187	15,923	0	72,110
	<u>10,077,802</u>	<u>\$ 107,330</u>	<u>\$ 0</u>	<u>10,185,132</u>
Less accumulated depreciation	<u>(4,695,105)</u>	<u>\$ (243,200)</u>	<u>\$ 7,168</u>	<u>(4,931,137)</u>
Total	<u>\$ 5,382,697</u>			<u>\$ 5,253,995</u>
 Housing Choice Voucher Program				
Buildings	\$ 86,371	\$ 0	\$ 0	\$ 86,371
Furniture, equipment & machinery - administration	50,243	4,016	0	54,259
	<u>136,614</u>	<u>\$ 4,016</u>	<u>\$ 0</u>	<u>140,630</u>
Less accumulated depreciation	<u>(98,568)</u>	<u>\$ (2,454)</u>	<u>\$ 0</u>	<u>(101,022)</u>
Total	<u>\$ 38,046</u>			<u>\$ 39,608</u>
Combined Totals				<u>\$ 5,293,603</u>

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

Business-type activities:	
Low Rent Program	\$ 243,200
Housing Choice Voucher Program	2,454
	<u>\$ 245,654</u>

NOTE D: NON-CURRENT LIABILITIES

As of June 30, 2019, the non-current liabilities are comprised of the following:

Accrued compensated absences- noncurrent portion	\$ 45,019
Non-current liabilities - other	<u>121,157</u>
	<u>\$ 166,176</u>

The following is a summary of changes in non-current liabilities for the year ended June 30, 2019:

	<u>Balance 06/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/19</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ 52,146	\$ 0	\$ (7,127)	\$ 45,019	\$ 35,110
Non-current Liabilities - other	<u>82,817</u>	<u>38,340</u>	<u>0</u>	<u>121,157</u>	<u>0</u>
	<u>\$ 134,963</u>	<u>\$ 38,340</u>	<u>\$ (7,127)</u>	<u>\$ 166,176</u>	<u>\$ 35,110</u>

NOTE E: COMMITMENTS AND CONTINGENCIES

Commitments – Construction

At June 30, 2019, the Housing Authority had the following capital fund grants:

	<u>IN36P058501-16</u>	<u>IN36P058501-17</u>
Funds Approved	\$ 178,169	\$ 193,273
Funds Expended	<u>(178,169)</u>	<u>(181,554)</u>
Excess of Funds Approved	<u>\$ 0</u>	<u>\$ 11,719</u>
Funds Advanced (HUD Grants)	\$ 178,169	\$ 134,862
Funds Expended	<u>(178,169)</u>	<u>(134,862)</u>
Excess of Funds Advanced	<u>\$ 0</u>	<u>\$ 0</u>
	<u>IN36P058501-18</u>	<u>IN36P058501-19</u>
Funds Approved	\$ 321,347	\$ 333,143
Funds Expended	<u>(139,715)</u>	<u>(0)</u>
Excess of Funds Approved	<u>\$ 181,632</u>	<u>\$ 333,143</u>
Funds Advanced (HUD Grants)	\$ 139,715	\$ 0
Funds Expended	<u>(139,715)</u>	<u>(0)</u>
Excess of Funds Advanced	<u>\$ 0</u>	<u>\$ 0</u>

NOTE E: COMMITMENTS AND CONTINGENCIES (continued)

Commitments – Construction (continued)

The Actual Modernization Cost Certificate for the 2016 CFP was signed by the Executive Director and sent to HUD for their approval. HUD approved for audit the cost certificates. The audited costs for the 2016 CFP agree with the costs shown on the Form HUD-53001.

Contingencies

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

NOTE F: RETIREMENT PLAN

The Housing Authority provides pension benefits for all of its full time employees through a Simple IRA plan with AXA Equitable. The plan requires the Housing Authority and the employee to contribute 9% and 1% of covered wages, respectively, however, employees may contribute more. Housing Authority contributions forfeited by employees who leave employment prior to vesting are used to reduce current costs and contribution requirements. In the current year, the total contributions were \$190,258 related to \$472,821 of covered salaries and wages. The plan may only be amended by Board action.

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

NOTE G: RISK MANAGEMENT

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

OTHER INFORMATION

Columbus Housing Authority
Schedule of Expenditures of Federal Awards
And Notes to the Schedule of Federal Awards
Year Ended June 30, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor</u>	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<u>U.S. Department of HUD</u>			
Section 8 Housing Choice Vouchers	A – Major	14.871	\$ 2,721,461
Public and Indian Housing:			
Public Housing Program	B – Nonmajor	14.850	301,904
Public Housing Capital Fund	B – Nonmajor	14.872	203,252
Supportive Housing for Persons with Disabilities	B- Nonmajor	14.181	413,871
PIH Family Self-Sufficiency Program	B- Nonmajor	14.896	<u>21,044</u>
Total Federal Financial Awards			<u><u>\$ 3,661,532</u></u>
Threshold for Type A/Type B Program			<u><u>\$ 750,000</u></u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

Basis of Accounting - - The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Housing Authority under programs of the federal government for the year ended June 30, 2019. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the Uniform Guidance, Audit of States, Local Governments, and Non-Profit Organizations. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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

Indirect Cost Rate - - The Authority did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Columbus Housing Authority
Financial Data Schedule
Year Ended June 30, 2019

FDS Line Item No.		Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
	ASSETS			
	Current assets:			
111	Cash-unrestricted	\$ 364,953	\$ 0	\$ 5,922
112	Cash-restricted-modernization	55,000	0	0
113	Cash-other restricted	35,796	0	0
114	Cash-tenant security deposits	37,986	0	0
115	Cash-restricted for payment of current liabilities	2,560	0	0
100	Total cash	<u>496,295</u>	<u>0</u>	<u>5,922</u>
	Receivables:			
125	A/R-miscellaneous	50	0	0
126	A/R-tenants-dwelling rents	4,127	0	0
126.1	Allowance for doubtful accounts	(749)	0	0
128	Fraud Recovery	0	0	0
128.1	Allowance for doubtful- fraud	0	0	0
120	Total receivables, net	<u>3,428</u>	<u>0</u>	<u>0</u>
	Other Current Assets:			
142	Prepaid expenses	36,489	0	0
144	Inter Program Due From	0	0	0
	Total other current assets	<u>36,489</u>	<u>0</u>	<u>0</u>
150	Total current assets	<u>536,212</u>	<u>0</u>	<u>5,922</u>
	Noncurrent Assets:			
	Fixed Assets:			
161	Land	3,360,190	0	0
162	Buildings	6,653,916	0	0
164	Furn, equip & mach-admin	98,916	0	0
166	Accumulated depreciation	(4,931,137)	0	0
167	Construction in Progress	72,110	0	0
160	Total fixed assets, net	<u>5,253,995</u>	<u>0</u>	<u>0</u>
180	Total non-current assets	<u>5,253,995</u>	<u>0</u>	<u>0</u>
290	Total Assets and Deferred Outflow of Resources	<u>5,790,207</u>	<u>0</u>	<u>5,922</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	2 State/Local	1 Business Activities	Eliminations	Total
\$ 508,340	\$ 0	\$ 148,261	\$ 301,519	\$ 0	\$ 1,328,995
0	0	0	0	0	55,000
120,946	0	0	0	0	156,742
0	11,009	0	0	0	48,995
0	0	0	0	0	2,560
<u>629,286</u>	<u>11,009</u>	<u>148,261</u>	<u>301,519</u>	<u>0</u>	<u>1,592,292</u>
0	0	0	0	0	50
0	0	0	0	0	4,127
0	0	0	0	0	(749)
2,107	0	0	0	0	2,107
(150)	0	0	0	0	(150)
<u>1,957</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,385</u>
4,032	0	0	0	0	40,521
0	0	0	0	0	0
<u>4,032</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,521</u>
<u>635,275</u>	<u>11,009</u>	<u>148,261</u>	<u>301,519</u>	<u>0</u>	<u>1,638,198</u>
0	0	0	0	0	3,360,190
86,371	0	0	0	0	6,740,287
54,259	0	0	0	0	153,175
(101,022)	0	0	0	0	(5,032,159)
0	0	0	0	0	72,110
<u>39,608</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,293,603</u>
<u>39,608</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,293,603</u>
<u>674,883</u>	<u>11,009</u>	<u>148,261</u>	<u>301,519</u>	<u>0</u>	<u>6,931,801</u>

Columbus Housing Authority
Financial Data Schedule
(Continued)
Year Ended June 30, 2019

FDS Line Item No.	Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
LIABILITIES and NET POSITION			
Current liabilities:			
312	\$ 18,633	\$ 0	\$ 0
321	12,521	0	0
322	18,333	0	0
331	0	0	5,922
333	26,296	0	0
341	37,986	0	0
342	2,560	0	0
346	2,324	0	0
347	0	0	0
310	<u>118,653</u>	<u>0</u>	<u>5,922</u>
Non-current liabilities:			
353	35,796	0	0
354	33,447	0	0
350	<u>69,243</u>	<u>0</u>	<u>0</u>
300	<u>187,896</u>	<u>0</u>	<u>5,922</u>
Net Position:			
508.4	5,253,995	0	0
511.4	55,000	0	0
512.4	<u>293,316</u>	<u>0</u>	<u>0</u>
513	<u>5,602,311</u>	<u>0</u>	<u>0</u>
600	<u>\$ 5,790,207</u>	<u>\$ 0</u>	<u>\$ 5,922</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	2 State/Local	1 Business Activities	Eliminations	Total
\$ 1,353	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,986
8,420	0	0	0	0	20,941
16,777	0	0	0	0	35,110
255	0	0	0	0	6,177
0	0	0	0	0	26,296
0	0	0	0	0	37,986
0	0	0	0	0	2,560
10	0	0	0	0	2,334
0	0	0	0	0	0
<u>26,815</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>151,390</u>
85,361	0	0	0	0	121,157
11,572	0	0	0	0	45,019
<u>96,933</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>166,176</u>
<u>123,748</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>317,566</u>
39,608	0	0	0	0	5,293,603
35,585	11,009	0	0	0	101,594
475,942	0	148,261	301,519	0	1,219,038
<u>551,135</u>	<u>11,009</u>	<u>148,261</u>	<u>301,519</u>	<u>0</u>	<u>6,614,235</u>
<u>\$ 674,883</u>	<u>\$ 11,009</u>	<u>\$ 148,261</u>	<u>\$ 301,519</u>	<u>\$ 0</u>	<u>\$ 6,931,801</u>

Columbus Housing Authority
Financial Data Schedule
(Continued)
Year Ended June 30, 2019

FDS Line Item No.		Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
	Revenues			
70300	Net tenant rental revenue	\$ 349,707	\$ 0	\$ 0
70400	Tenant revenue-other	35,919	0	0
70500	Total tenant revenue	385,626	0	0
70600	HUD PHA operating grants	421,904	21,044	
70610	Capital Grants	83,252	0	0
71100	Investment income – unrestricted	2,805	0	0
71400	Fraud recovery	0	0	0
71500	Other revenue	42,816	0	0
72000	Investment income – restricted	1,598	0	0
70000	Total Revenue	938,001	21,044	0
	Expenses			
	Administrative:			
91100	Administrative salaries	205,365	0	0
91200	Auditing fees	2,380	0	0
91400	Advertising and marketing	0	0	0
91500	Employee benefit contributions	80,120	0	0
91600	Office expenses	20,183	0	0
91700	Legal expense	24	0	0
91800	Travel	40	0	0
91900	Other	23,826	0	0
91000	Total operating-administrative	331,938	0	0
	Tenant services:			
92100	Tenant services – salaries	0	18,048	0
92300	Employee benefit contributions	0	2,996	0
92500	Total tenant services	0	21,044	0
	Utilities:			
93100	Water	9,275	0	0
93200	Electricity	47,497	0	0
93300	Gas	4,084	0	0
93000	Total utilities	60,856	0	0
	Ordinary maintenance and operations:			
94100	Labor	86,248	0	0
94200	Materials and other	48,050	0	0
94300	Contracts	104,685	0	0
94500	Employee benefit contributions	35,535	0	0
94000	Total maintenance	274,518	0	0

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	2 State/Local	1 Business Activities	Eliminations	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 349,707
0	0	0	0	0	35,919
0	0	0	0	0	385,626
2,721,461	413,871	0	0	0	3,578,280
0	0	0	0	0	83,252
10,246	0	2,131	4,310	0	19,492
3,376	0	0	0	0	3,376
88,385	0	6,773	20,659	0	158,633
0	0	0	0	0	1,598
2,823,468	413,871	8,904	24,969	0	4,230,257
136,080	27,080	0	0	0	368,525
6,270	0	0	0	0	8,650
0	0	0	0	0	0
59,340	12,267	0	0	0	151,727
35,004	825	0	0	0	56,012
306	0	0	0	0	330
221	0	0	0	0	261
17,011	0	831	6,015	0	47,683
254,232	40,172	831	6,015	0	633,188
0	0	0	0	0	0
0	0	0	0	0	18,048
0	0	0	0	0	2,996
0	0	0	0	0	21,044
269	0	0	0	0	9,544
2,079	0	0	0	0	49,576
505	0	0	0	0	4,589
2,853	0	0	0	0	63,709
0	0	0	0	0	86,248
1,016	0	0	0	0	49,066
1,223	0	0	0	0	105,908
0	0	0	0	0	35,535
2,239	0	0	0	0	276,757

Columbus Housing Authority
Financial Data Schedule
(Continued)
Year Ended June 30, 2019

FDS Line Item No.	Low Rent Program 14.850	PIH Family Self-Sufficiency Program 14.896	Disaster Voucher Program 14.DVP
	Expenses (continued)		
	Insurance:		
96110	20,333	0	0
96120	16,561	0	0
96130	6,589	0	0
96140	8,522	0	0
96100	<u>52,005</u>	<u>0</u>	<u>0</u>
	Other general expenses:		
96200	26,271	0	0
96210	24,501	0	0
96300	26,296	0	0
96400	14,899	0	0
96000	<u>91,967</u>	<u>0</u>	<u>0</u>
96900	<u>811,284</u>	<u>21,044</u>	<u>0</u>
97000	<u>126,717</u>	<u>0</u>	<u>0</u>
	Other Expenses:		
97100	45,024	0	0
97300	0	0	0
97350	0	0	0
97400	243,200	0	0
	<u>288,224</u>	<u>0</u>	<u>0</u>
90000	<u>1,099,508</u>	<u>21,044</u>	<u>0</u>
	Other Financing Sources (Uses):		
10010	120,000	0	0
10020	(120,000)	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
10000	(161,507)	0	0
11030	5,763,818	0	0
	<u>\$ 5,602,311</u>	<u>\$ 0</u>	<u>\$ 0</u>

Housing Choice Vouchers 14.871	Supportive Housing for Persons with Disabilities 14.181	2 State/Local	1 Business Activities	Eliminations	Total
0	0	0	0	0	20,333
0	0	0	0	0	16,561
5,391	0	0	0	0	11,980
4,634	0	0	0	0	13,156
<u>10,025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62,030</u>
16	0	0	0	0	26,287
13,762	0	0	0	0	38,263
0	0	0	0	0	26,296
0	0	0	0	0	14,899
<u>13,778</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>105,745</u>
<u>283,127</u>	<u>40,172</u>	<u>831</u>	<u>6,015</u>	<u>0</u>	<u>1,162,473</u>
<u>2,540,341</u>	<u>373,699</u>	<u>8,073</u>	<u>18,954</u>	<u>0</u>	<u>3,067,784</u>
0	0	0	0	0	45,024
2,477,021	362,325	0	0	0	2,839,346
78,933	0	0	0	0	78,933
2,454	0	0	0	0	245,654
<u>2,558,408</u>	<u>362,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,208,957</u>
<u>2,841,535</u>	<u>402,497</u>	<u>831</u>	<u>6,015</u>	<u>0</u>	<u>4,371,430</u>
0	0	0	0	(120,000)	0
0	0	0	0	120,000	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(18,067)	11,374	8,073	18,954	0	(141,173)
569,202	(365)	140,188	282,565	0	6,755,408
<u>\$ 551,135</u>	<u>\$ 11,009</u>	<u>\$ 148,261</u>	<u>\$ 301,519</u>	<u>\$ 0</u>	<u>\$ 6,614,235</u>

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

Barry E. Gaudette, CPA, PC
731 S. Garfield Avenue
Traverse City, Michigan 49686

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Columbus Housing Authority, Indiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Columbus Housing Authority, Indiana's basic financial statements, and have issued our report thereon dated December 1, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Columbus Housing Authority, Indiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barry E. Gaudette, CPA, PC

December 1, 2019

Barry E. Gaudette, CPA, PC
731 S. Garfield Avenue
Traverse City, Michigan 49686

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

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

Report on Compliance for Each Major Federal Program

We have audited the Columbus Housing Authority, Indiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Columbus Housing Authority, Indiana's major federal programs for the year ended June 30, 2019. Columbus Housing Authority, Indiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Columbus Housing Authority, Indiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Columbus Housing Authority, Indiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Columbus Housing Authority, Indiana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barry E. Gaudette, CPA, PC

December 1, 2019

**Columbus Housing Authority
Status of Prior Audit Findings
June 30, 2019**

There were no prior year findings.

Columbus Housing Authority
Schedule of Findings and Questioned Costs
June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

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

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

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

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

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

Identification of major programs;

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
--------------------	---

14.871	Housing Choice Vouchers Program
--------	---------------------------------

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

Auditee qualified as low-risk auditee? Yes

Section II - Findings Related to the Financial Statements

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

Section III - Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs.