



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

January 31, 2023

Board of Directors  
Union City Housing Authority  
321 W Oak Street  
Union City, IN 47390

We have reviewed the audit report of the Union City Housing Authority, which was opined upon by Barry E. Gaudette, CPA, PC, Independent Public Accountant, for the period October 1, 2020 to September 30, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Union City Housing Authority as of September 30, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Barry E. Gaudette, CPA, PC, prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**UNION CITY HOUSING AUTHORITY  
RANDOLPH COUNTY, INDIANA  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021  
AND  
REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

**UNION CITY HOUSING AUTHORITY**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2021**

	<u>Page</u>
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (unaudited).....	4
Basic Financial Statements:	
Statement of Net Position.....	11
Statement of Revenue, Expenses, and Changes in Net Position.....	12
Statement of Cash Flows.....	13
Notes to Financial Statements.....	15
SUPPLEMENTAL INFORMATION	
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....	26
Financial Data Schedule.....	28
REPORTS ON INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	32
Status of Prior Audit Findings.....	34

## **INTRODUCTION**

## ***Independent Auditor's Report***

Board of Commissioners  
Union City Housing Authority  
Randolph County, Indiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Union City Housing Authority, Indiana, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Union City 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 Union City Housing Authority, Indiana, as of September 30, 2021, 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 4-10 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 Union City Housing Authority, Indiana's basic financial statements. The financial data schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedule on pages 28 to 31 is the responsibility of management and was 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 is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Management has not presented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022, on our consideration of the Union City 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 Union City 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 Union City Housing Authority, Indiana's internal control over financial reporting and compliance.

***Barry E. Gaudette, CPA, PC***

March 18, 2022

**Union City Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2021**  
**(Unaudited)**

As management of the Union City Housing Authority, we offer reviewers of this audit report this narrative discussion and analysis of the Union City Housing Authority's financial activities for the year ended September 30, 2021. This discussion and analysis letter of the Union City Housing Authority's financial performance should be read in conjunction with the auditor's opinion letter and the following financial statements.

The combined financial statements reflect all of the Housing Authority's federally funded programs and activities in one place. The Housing Authority reports all its activities and programs using the Enterprise Fund type model. HUD encourages PHAs to use this accounting method as it is normally used to account for "business-type activities" – activities similar to those found in the private sector. Enterprise Fund types use the accrual method of accounting, the same accounting method employed by most private-sector businesses. Under this method, revenues and expenditures may be reported as such even though no cash transaction has actually taken place.

**FINANCIAL HIGHLIGHTS**

The term "net position" refers to the difference between assets and liabilities. The Housing Authority's total net position as of September 30, 2021 was \$(62,076). The net position increased by \$8,331, an increase of 11.8% over the prior fiscal year.

Revenues and contributions for the Housing Authority were \$656,380 for the year ended September 30, 2021. This was an increase of \$22,768 or 3.6% over the prior fiscal year.

Expenses for the Housing Authority were \$648,049 for the year ended September 30, 2021. This was an increase of \$42,207 or 7.9% the over prior fiscal year.

HUD operating grants were \$649,699 for the year ended September 30, 2021. This was an increase of \$21,948 or 3.5% over the prior fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report contains this *Management & Discussion 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 Housing Authority's financial statements are presented as fund financial statements because the Housing Authority only has proprietary funds.

**Union City Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2021**  
**(Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

*Required Financial Statements*

The *Statement of Net Position* includes the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Housing Authority creditors (liabilities). It also provides the basis for evaluating the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the success of the Commission's operations over the past year and can be used to determine whether the Housing 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 Information*. HUD has established Uniform Financial Reporting Standards that require Housing Authorities to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) and is required to be included in the audit reporting package.

**FUND STATEMENTS**

The Financial Data Schedule reports the Housing Authority's operations in more detail. The Housing Authority reports all its activities using Enterprise fund types. These funds are used to show activities that operate more like commercial enterprises. The Financial Data Schedule is organized by the government Catalogue of Financial Domestic Assistance (CFDA) numbers.

**Union City Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2021**  
**(Continued)**

**FUND STATEMENTS (Continued)**

*Section 8 Housing Choice Voucher Program:* Under this program, the Housing Authority administers contracts with independent landlords to provide housing for low-income households. These units are not owned by the Housing Authority. The Housing Authority subsidizes the family's rent via a "Housing Assistance Payment" made directly to the landlord. HUD provides subsidy to the Housing Authority to enable the Housing Authority to set the rental rates at 30% to 40% of a participant's income.

**FINANCIAL ANALYSIS**

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the following table, assets exceeded liabilities by \$(62,076) at the close of the year ended September 30, 2021 a decrease from \$(70,407) in 2020. The increase in net position of \$8,331 was due to the change in net position of \$8,331.

The unrestricted net position was \$(67,682) as of September 30, 2021. This amount, if positive, may be used to meet the Housing Authority's ongoing obligations. The Housing Authority had a net position classified as restricted of \$5,606 that is subject to external restrictions on how they may be used. The restricted assets consist of excess funding in the Housing Choice Voucher program. At the end of the current year, the Housing Authority not able to report positive balances in all categories of net position.

**CONDENSED STATEMENTS OF NET POSITION**  
**September 30,**

	2021	2020	Dollar Change
Current and other assets	\$ 34,977	\$ 53,695	\$ (18,718)
Capital assets, net	0	0	0
Deferred outflow of resources	2,656	2,655	1
Total Assets	<u>37,633</u>	<u>56,350</u>	<u>(18,717)</u>
Current liabilities	3,328	25,571	(22,243)
Non-current liabilities	91,983	96,788	(4,805)
Total Liabilities	<u>95,311</u>	<u>122,359</u>	<u>(27,048)</u>
Deferred inflow of resources	<u>4,398</u>	<u>4,398</u>	<u>0</u>
Net position:			
Net Investment in capital assets	0	0	0
Restricted	5,606	15,238	(9,632)
Unrestricted	(67,682)	(85,645)	17,963
Total Net Position	<u>\$ (62,076)</u>	<u>\$ (70,407)</u>	<u>\$ 8,331</u>

**Union City Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2021**  
**(Continued)**

**FINANCIAL ANALYSIS (Continued)**

Total current assets decrease of \$18,718 was due, in large part, to a decrease in cash flows of \$19,665.

Current liabilities decreased by \$22,243, in large part, due to a decrease in unearned revenue liability of \$18,756.

The largest portion of the Housing Authority's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Housing Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

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**

	<u>09/30/21</u>	<u>09/30/20</u>	<u>Dollar Change</u>
<b>Revenues and contributions</b>			
Operating, non operating, capital contributions:			
HUD operating grants	\$ 649,699	\$ 627,751	\$ 21,948
Fraud recovery	1,450	0	1,450
Other income	5,227	5,850	(623)
Interest income	4	11	(7)
<b>Total Revenues and Contributions</b>	<u>656,380</u>	<u>633,612</u>	<u>22,768</u>
<b>Expenses</b>			
Personnel services	36,388	31,386	5,002
Utilities	1,203	1,456	(253)
Insurance	4,487	1,126	3,361
Other supplies and expenses	36,367	35,842	525
Housing Assistance Payments	569,604	536,032	33,572
<b>Total Expenses</b>	<u>648,049</u>	<u>605,842</u>	<u>42,207</u>
Change in net position	8,331	27,770	(19,439)
Beginning net position	(70,407)	(98,177)	27,770
Ending net position	<u>\$ (62,076)</u>	<u>\$ (70,407)</u>	<u>\$ 8,331</u>

**Union City Housing Authority  
Management's Discussion and Analysis (MD&A)  
September 30, 2021  
(Continued)**

**FINANCIAL ANALYSIS (Continued)**

*Revenues:*

As can be seen in the above table total revenues and contributions increased by \$22,768, in large part, due to operating grants increasing by \$21,948.

Union City Housing Authority's primary revenue sources are grants received by HUD. For the year ending September 30, 2021, HUD contributions accounted for \$649,699 (or 99.0% of total revenue).

*Expenses:*

Total expenses for the year ending September 30, 2021 were \$648,949 while for the year ending September 30, 2020 they were \$605,842. This represents a 7.0% decrease in our operating costs. The expenses decreased, in large part, due to the HAP payments to landlords decreasing by \$33,572 from the prior fiscal year.

The following represents changes in Federal Assistance received:

	<u>09/30/21</u>	<u>09/30/20</u>	<u>Dollar Change</u>
Public Housing Operating Subsidy	\$ 630,944	\$ 617,628	\$ 13,316
HCV CARES Act Funding	18,755	10,123	8,632
Total	<u>\$ 649,699</u>	<u>\$ 627,751</u>	<u>\$ 21,948</u>

The above chart is segregated as to the Program source of funds, not the use of funds. The increase in the Housing Choice Voucher Program increased due to more vouchers being issued.

**OPERATIONAL HIGHLIGHTS**

The Union City Housing Authority provided the following housing for low-income individuals and families:

	<u>09/30/21</u>	<u>09/30/20</u>
Section 8 Housing Choice Voucher Program	142	144

The Housing Authority had a lease up rate of 94.1% in the Voucher program as of September 30, 2021.

**Union City Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2021**  
**(Continued)**

**CAPITAL ASSETS**

The Union City Housing Authority's investment in capital assets, as of September 30, 2021 amounts to \$0 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and equipment.

**CAPITAL ASSETS**  
**NET OF ACCUMULATED DEPRECIATION**  
**September 30,**

	<b>2021</b>	<b>2020</b>	<b>Dollar Change</b>
Furniture, equipment and machinery			
- administration	\$ 12,214	\$ 12,214	\$ 0
Accumulated depreciation	(12,214)	(12,214)	(0)
Total	\$ 0	\$ 0	\$ 0

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations as well as capital needs. Therefore, the Housing Authority is affected more by the Federal Budget than by local economic conditions. Due to inadequate funding of programs, the Housing Authority is engaging in outreach activities within its local community to seek other federal and non-federal sources of income to offset operational expenses and keep the Housing Authority financially and operationally in order to continue to provide safe, sanitary, and decent housing to our residents.

Although the Housing Authority remains concerned about the future levels of HUD funding due to the state of the federal budget, we feel that we are both financially and operationally in a strong position to continue to provide safe, sanitary, and decent housing to our residents.

We know of no other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net position) or results of operations (revenues, expenses, and other changes).

**Union City Housing Authority**  
**Management's Discussion and Analysis (MD&A)**  
**September 30, 2021**  
**(Continued)**

**REQUEST 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 its finances. Questions or comments concerning any of the information contained in this report or request for additional information should be directed to:

Amy Holt, Executive Director  
Union City Housing Authority  
321 W. Oak Street  
Union City, Indiana 47390

## **FINANCIAL STATEMENTS**

**Union City Housing Authority**  
**Statement of Net Position**  
**September 30, 2021**

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 28,984
Accounts receivable, net	2,667
Prepaid expense	3,326
Total Current Assets	34,977

Capital Assets:

Equipment	12,214
	12,214
Less: accumulated depreciation	(12,214)
Net Capital Assets	0

Deferred outflow of resources	2,656
-------------------------------	-------

Total Assets	\$ 37,633
--------------	-----------

**LIABILITIES and NET POSITION**

Current Liabilities:

Accounts payable	\$ 1,393
Accrued expenses	581
Unearned revenue	1,354
Total Current Liabilities	3,328

Non-current Liabilities

Non-current liabilities-other	91,983
-------------------------------	--------

Total Liabilities	95,311
-------------------	--------

Deferred inflow of resources	4,398
------------------------------	-------

Net position:

Net investment in capital assets	0
Restricted net position	5,606
Unrestricted net position	(67,682)
Total Net Position	(62,076)

Total Liabilities and Net Position	\$ 37,622
------------------------------------	-----------

See notes to financial statements

**Union City Housing Authority**  
**Statement of Revenues, Expenses, And**  
**Changes in Net Position**  
**Year Ended September 30, 2021**

<b>OPERATING REVENUES:</b>	
Operating grants	\$ 649,699
Total operating revenues	649,699
<b>OPERATING EXPENSES:</b>	
Administrative	72,601
Utilities	1,203
Insurance	4,487
Other general expenses	154
Housing assistance payments	569,604
Total operating expenses	648,049
Operating income (loss)	1,650
<b>NON OPERATING REVENUES:</b>	
Investment interest income	4
Fraud recovery	1,450
Other income	5,227
Total non operating revenues	6,681
Change in net position	8,331
Net position (deficit), beginning	(70,407)
Net position, ending	\$ (62,076)

See notes to financial statements

**Union City Housing Authority**  
**Statement of Cash Flows**  
**Year Ended September 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from operating grants	\$ 630,943
Cash payments to other suppliers of goods and services	(612,619)
Cash payments to employees for services	<u>(38,819)</u>
Net cash (used) by operating activities	<u>(20,495)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Fraud recovery	451
Other revenue	5,274
Non-current liabilities	<u>(4,805)</u>
Net cash provided by noncapital financing activities	<u>920</u>

**CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Payments for capital acquisitions	<u>0</u>
Net cash provided by capital and related financing activities	<u>0</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Receipts of interest income	<u>4</u>
Net cash provided by investing activities	<u>4</u>

Net increase (decrease) in cash	(19,665)
Cash and cash equivalents, beginning	<u>48,649</u>
Cash and cash equivalents, ending	<u><u>\$ 28,984</u></u>

See notes to financial statements

**Union City Housing Authority**  
**Statement of Cash Flows (Continued)**  
**Year Ended September 30, 2021**

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

Operating income (loss)	\$	1,650
Adjustments to reconcile operating (loss) to net cash provided (used)		
By operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Prepaid expenses		52
Increase (decrease) in liabilities:		
Accounts payable-trade		(1,009)
Accrued wages/payroll taxes payable		(2,431)
Deferred inflow of resources		(1)
Unearned revenue		<u>(18,756)</u>
Net cash (used) by operating activities	\$	<u>(20,495)</u>

See notes to financial statements

**Union City Housing Authority**  
**Notes to Financial Statements**  
**September 30, 2021**

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

The Union City Housing Authority (“UCHA” or “Housing Authority”) is a component unit of Union City pursuant to Indiana state law and the National Housing Act of 1937. 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 Union City residents, appointed by the City Mayor of the Union City. 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:

**Section 8 Housing Choice Vouchers**

The Section 8 Housing Choice Voucher Program administered by the Housing Authority provides rent subsidies from HUD that are used by very low income families, the elderly, and the disabled to afford them decent, safe, and sanitary housing in the private market. This program provides rental assistance to approximately 142 families and individuals.

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

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

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.

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. 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.

8. Compensated Absences

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

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

9. 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 September 30, 2021, there were no inter-program receivables and payables or operating transfers.

10. Buildings and Equipment

Buildings and equipment are recorded at historical cost. Costs in excess of \$1,500 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 and improvements	5	-	40 years
Maintenance and office equipment	3	-	10 years

11. Income Taxes

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

12. 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.

13. 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.

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

14. Unearned Revenue

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

15. 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.

16. 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 BCTHC 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.

17. Subsequent Events

The financial statements and related disclosures include evaluation of events through and including, March 18, 2022, 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.

**NOTE B: CASH AND CASH EQUIVALENTS (CONTINUED)**

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

Cash – operations \$ 28,984

The above deposits are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of September 30, 2021:

Bank deposits (deposits accounts) \$ 28,984

**Custodial Credit Risk of Bank Deposits** – Custodial credit risk is the risk that in the event of a bank failure, UCHA's deposits may not be returned to it. UCHA believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, UCHA evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**NOTE C: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2021, was as follows:

	<u>Balance 09/30/20</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Balance 09/30/21</u>
<b>HCV Program</b>				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Furniture, equipment & machinery - Administration	<u>12,214</u>	<u>0</u>	<u>0</u>	<u>12,214</u>
	12,214	<u>\$ 0</u>	<u>\$ (0)</u>	12,214
Less accumulated Depreciation	<u>(12,214)</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>(12,214)</u>
Total	<u>\$ 0</u>			<u>\$ 0</u>

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

Business-type activities:  
Low Rent Program \$ 0

## **NOTE D: RETIREMENT PLAN**

### ***Description of Pension Plan***

PERF DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, 5-10.3, 5-10.5, 35 IAC 1.2 and other Indiana pension law. PERF DB is a component of the Public Employees' Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice, have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC). A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

### Eligibility for Pension Benefit Payment

#### Full Retirement Benefit:

- At age 65 with at least 10 years of creditable service (eight years for certain elected officials).
- At age 60 with at least 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position.
- At age 70 with 20 years of creditable service and still active in the PERF-covered position.

#### Early Retirement Benefit:

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

#### Disability Benefit:

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month).

#### Survivor Benefit:

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

## **NOTE G: RETIREMENT PLAN (CONTINUED)**

### Contribution Rates

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.43 percent from July 2019 to December 2019 and 0.44 percent from January 2020 to June 2020 funding a supplemental reserve account for postretirement benefits. Contributions from employers with PERF MC DC plan members, who either currently offer or have offered PERF Hybrid, fund PERF DB's unfunded liability at 8.0 percent of covered payroll for the State and 7.3 percent for political subdivisions. No member contributions are required.

### Benefit Formula & Postretirement Benefit Adjustment

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board.

### Basis of Accounting

The financial statements of INPRS have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for established governmental accounting and financial reporting principles. INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations.

### ***Net Pension Liability***

At June 30, 2020 and 2019, the Housing Authority reported a liability of \$15,706 and \$17,847, respectively, for its proportionate share of the net pension liability.

**NOTE G: RETIREMENT PLAN (CONTINUED)**

*Actuarial Assumptions*

Significant actuarial assumptions and other inputs used to measure the total pension liability:

	<b>2020 Valuation</b>
<b>Type of Plan</b>	The Public Employees' Retirement Fund is a cost-sharing multiple-employer plan for GASB accounting purposes.
<b>Measurement Date</b>	June 30, 2020
<b>Valuation Date</b>	
Assets:	June 30, 2020
Liabilities:	June 30, 2019 – The TPL as of June 30, 2020 was determined based on an actuarial valuation prepared as of June 30, 2019 rolled forward one year to June 30, 2020, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
<b>Inflation</b>	2.25%
<b>Future Salary Increases</b>	2.75% - 8.75% based on service
<b>Costs of Living Increases</b>	As of June 30, 2020: In lieu of a COLA on January 1, 2021, members in pay were provided a 13th check on October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039  As of June 30, 2019: In lieu of a COLA on January 1, 2020 and January 1, 2021, members in pay were provided a 13th check on October 1, 2019 and October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039

Mortality Assumption - Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Healthy Employees – General Employee table with a 3-year set forward for males and a 1 year set forward for females.

Retirees – General Retiree table with a 3-year set forward for males and a 1 year set forward for females.

Beneficiaries – Contingent Survivor table with no set forward for males and a 2-year set forward for females.

**NOTE G: RETIREMENT PLAN (CONTINUED)**

***Actuarial Assumptions (Continued)***

Disables – General Disabled table with a 140% load

Experience Study - The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were updated as appropriate based on the results of the study for this June 30, 2020 actuarial valuation.

Discount Rate - 6.75%, net of investment expenses

The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. There was no change in the discount rate from the prior measurement date.

The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of 11.2% (the current contribution rate) or a rate equal to the actuarially determined contribution rate, which is based on the assumptions and methods selected by the Board for the annual actuarial valuations and projected covered member payroll. The June 30, 2020 actuarial valuation assumes a long-term rate of return on assets of 6.75%, a 20-year level dollar closed method for amortizing the future layers of unfunded actuarial accrued liability (30 years for amortization layers established prior to June 30, 2016), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets.

In the past several years, the Board has followed its current funding policy and the State has complied in its contributions to the plan. Therefore, if past practice is continued, the appropriations will be sufficient to fully fund the plan within 20 to 30 years. In the past, deterministic projections have shown the actuarially determined contribution rate to reach a peak of 10.9% which is slightly below the current rate. As a result, it is presumed that the projected plan assets will be sufficient to cover the future benefit payments for current members.

***Discount Rate Sensitivity***

The following presents the Housing Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Authority’s proportionate share of the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

1% Decrease (5.75%)	Discount rate (6.75%)	1% Increase (7.75%)
\$25,606	\$15,706	\$7,414

**NOTE G: RETIREMENT PLAN (CONTINUED)*****Pension Expense***

For the year ended June 30, 2020, the Housing Authority recognized pension expense of \$758, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

	<b>Deferred outflows of resources – debit</b>	<b>Deferred inflows of resources – credit</b>
Differences between expected and actual experience	\$ 278	\$ 211
Net differences between projected and actual	1,344	0
Change of Assumptions	0	3,272
Changes in proportion and differences between employer contributions and proportionate share of contributions	37	915
Total	<u>\$ 1,659</u>	<u>\$ 4,398</u>

Contributions Shown by INPRS (reflects impact of any accruals): \$3,145

**Amortization of net deferred outflows/(inflows)  
of resources – debit/(credit)**

2021	(2,035)
2022	(864)
2023	(411)
2024	571
Thereafter	0
Total	<u>\$ (2,739)</u>

<b>Net pension liability as of 2019</b>	\$ 17,847
Activity in FY 2020	
Differences between expected and actual experience	(406)
Net differences between projected and actual investment	2,188
Change of assumptions	(1,336)
Changes in proportion and differences between employer contributions	(200)
Pension Expense/Income	758
Contributions	<u>(3,145)</u>
Net pension liability as of 2020	<u>\$ 15,706</u>

The information presented above has not been audited.

**NOTE E: 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. 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

**NOTE G: CONCENTRATION OF RISK**

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

**SUPPLEMENTARY INFORMATION**

## **Independent Accountant’s Report on Applying Agreed-Upon Procedure**

To the Board of Commissioners  
Union City Housing Authority

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

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

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

We were engaged to perform an audit in accordance with the audit requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, for the Union City Housing Authority as of and for the year ended September 30, 2021, and have issued our reports thereon dated March 18, 2022. The information in the “Hard Copy Documents” column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated September 30, 2021, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

## Independent Accountant’s Report on Applying Agreed-Upon Procedure

### Page Two

A copy of the reporting package required by OMB Uniform Administrative Requirements, which includes the auditor’s reports, is available in its entirety from the Union City Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

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

*Barry E. Gaudette, CPA, PC*

March 18, 2022

#### ATTACHMENT TO INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURE

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Business Sheet, Revenue and Expense and Cash Flow Data	Financial Data Templates (i.e. the Financial Data Schedule)	X	
2	Footnotes	Footnotes to Audited Basic Financial Statements	X	
3	Type of Opinion on the Financial Statements and Compliance	Auditor’s Reports on the Financial Statements and Compliance	X	
4	Type of Opinion on Financial Data Templates	Auditor’s Supplemental Report on Financial Data Templates	X	

**Union City Housing Authority**  
**Financial Data Schedule**  
**Year Ended September 30, 2021**

FDS Line Item No.		Housing Choice Vouchers 14.871	Business Activities	14.HCC HCV CARES Act Funding
	<b>ASSETS</b>			
	Current assets:			
111	Cash-unrestricted	\$ 16,855	\$ 5,169	\$ 0
113	Cash-other restricted	5,606	0	1,354
100	Total cash	<u>22,461</u>	<u>5,169</u>	<u>1,354</u>
	Receivables:			
128	Fraud recovery	2,667	0	0
120	Total receivables, net	<u>2,667</u>	<u>0</u>	<u>0</u>
	Other Current Assets:			
142	Prepaid expenses	3,326	0	0
150	Total current assets	<u>28,454</u>	<u>5,169</u>	<u>1,354</u>
	Noncurrent Assets:			
	Fixed Assets:			
164	Furn, equip & mach-admin	12,214	0	0
166	Accumulated depreciation	(12,214)	0	0
160	Total fixed assets, net	<u>0</u>	<u>0</u>	<u>0</u>
180	Total non-current assets	<u>0</u>	<u>0</u>	<u>0</u>
200	Deferred outflow of resources	<u>2,656</u>	<u>0</u>	<u>0</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 31,110</u>	<u>\$ 5,169</u>	<u>\$ 1,354</u>

Totals

\$ 22,024  
6,960  
28,984

2,667  
2,667

3,326  
34,977

12,214  
(12,214)  
0

0

2,656

\$ 37,633

**Union City Housing Authority**  
**Financial Data Schedule**  
**(Continued)**  
**Year Ended September 30, 2021**

FDS Line Item No.		Housing Choice Vouchers 14.871	Business Activities	14.HCC HCV CARES Act Funding
	<b>LIABILITIES and EQUITY</b>			
	Current liabilities:			
312	Accounts payable	\$ 393	\$ 0	\$ 0
322	Accrued compensated absences			
	current portion	581	0	0
331	Accounts payable-HUD	1,000	0	0
342	Unearned revenue	0	0	1,354
	Total current liabilities	<u>1,974</u>	<u>0</u>	<u>1,354</u>
	Non-current liabilities:			
353	Non-current liabilities-other	75,114	0	0
354	Accrued compensated absences-			
	non- current	1,163	0	0
357	Accrued pension liabilities	<u>15,706</u>	<u>0</u>	<u>0</u>
350	Total non-current liabilities	<u>91,983</u>	<u>0</u>	<u>0</u>
300	Total liabilities	<u>93,957</u>	<u>0</u>	<u>1,354</u>
400	Deferred inflow of resources	<u>4,398</u>	<u>0</u>	<u>0</u>
	Equity:			
511.4	Restricted net position	5,606	0	0
512.4	Unrestricted net position	<u>(72,851)</u>	<u>5,169</u>	<u>0</u>
513	Total equity-net assets/ position	<u>(67,245)</u>	<u>5,169</u>	<u>0</u>
600	Total Liabilities, Deferred Inflows of Resources and and Equity – Net Assets/ Position	<u>\$ 31,169</u>	<u>\$ 5,169</u>	<u>\$ 1,354</u>

Totals

\$ 393

581

1,000

1,354

3,328

75,114

1,163

15,706

91,983

95,311

4,398

5,606

(67,682)

(62,076)

\$ 37,622

**Union City Housing Authority**  
**Financial Data Schedule**  
**(Continued)**  
**Year Ended September 30, 2021**

FDS Line Item No.		Housing Choice Vouchers 14.871	Business Activities	14.HCC HCV CARES Act Funding
	<b>Revenues</b>			
70600	HUD PHA operating grants	\$ 630,944	\$ 0	\$ 18,755
71100	Investment income-unrestricted	4	0	0
71400	Fraud recovery	1,450	0	0
71500	Other income	427	4,800	0
70000	Total revenue	<u>632,825</u>	<u>4,800</u>	<u>18,755</u>
	<b>Expenses</b>			
	Administrative:			
91100	Administrative salaries	28,652	0	4,342
91200	Auditing fees	7,583	0	7,583
91500	Employee benefit contributions	3,399	0	0
91600	Office expenses	15,204	20	6,830
91900	Other	6,571	0	0
91000	Total operating-administrative	<u>53,826</u>	<u>20</u>	<u>18,755</u>
	Utilities:			
93200	Electricity	1,203	0	0
93000	Total utilities	<u>1,203</u>	<u>0</u>	<u>0</u>
	Insurance:			
96140	All other insurance	4,487	0	0
96100	Total insurance	<u>4,487</u>	<u>0</u>	<u>0</u>
	Other General Expenses:			
96200	Other general expenses	154	0	0
96000	Total other general expenses	<u>154</u>	<u>0</u>	<u>0</u>
96900	Total operating expenses	<u>59,670</u>	<u>20</u>	<u>18,775</u>
97000	Excess of operating revenue over operating expenses	<u>573,155</u>	<u>4,780</u>	<u>0</u>
	Other Expenses:			
97300	Housing assistance payments	569,604	0	0
90000	Total expenses	<u>629,274</u>	<u>20</u>	<u>18,755</u>
	Operating Financing Sources (Uses)			
10010	Operating transfers in	4,805	0	0
10020	Operating transfers out	0	(4,805)	0
10100	Total other financing sources (uses)	<u>4,805</u>	<u>(4,805)</u>	<u>0</u>

Totals

\$ 649,699  
4  
1,450  
5,227  
656,380

32,994  
7,583  
3,399  
22,054  
6,571  
72,601

1,203  
1,203

4,487  
4,487

154  
154

59,670

573,155

569,604  
629,274

4,805  
(4,805)

0

**Union City Housing Authority**  
**Financial Data Schedule**  
**(Continued)**  
**Year Ended September 30, 2021**

FDS Line No.		Housing Choice Vouchers <u>14.871</u>	Business Activities <u></u>	14.HCC HCV CARES Act Funding <u></u>
	<b>Expenses (continued)</b>			
10000	Excess(deficiency) of total revenue over(under) total	8,356	(25)	0
11030	Beginning equity	(75,601)	5,194	0
	Ending equity	<u>\$ (67,245)</u>	<u>\$ 5,169</u>	<u>\$ 0</u>
11190	Unit months available	1,707		
11210	Unit months leased	1,607		

	<u>Totals</u>
<b>Expenses (continued)</b>	
Excess(deficiency) of total revenue over(under) total	8,331
Beginning equity	(70,407)
Ending equity	<u>\$ (62,076)</u>

**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 Housing Commissioners  
Union City Housing Authority  
Randolph County, 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 Union City Housing Authority, Indiana, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Union City Housing Authority, Indiana’s basic financial statements, and have issued our report thereon dated March 18, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Union City 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 Union City Housing Authority, Indiana’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Union City 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 Union City 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***

March 18, 2022

**Union City Housing Authority  
Status of Prior Audit Findings  
September 30, 2021**

The prior year finding on the Section 8 Management Assessment Form has been cleared.