



## **Board of Public Works & Safety and Stormwater Board**

Regular Meeting Agenda

**2:00 p.m., February 21, 2022**

Goshen Police & Court Building, 111 East Jefferson Street, Goshen, Indiana

**To access online streaming of the meeting, go to <https://goshenindiana.org/calendar>**

### **Call to Order by Mayor Jeremy Stutsman**

### **Approval of Minutes: Feb. 14, 2022**

### **Approval of Agenda**

- 1) Legal Department: Community Service Partnership Agreement with Warsaw Housing Authority**
- 2) Request from Brian & Heidi McKee: Second driveway at 1301 Baker Avenue**
- 3) Engineering Department: Request for closure of First Street, March 9-25**
- 4) Stormwater Department: Agreement for completion of construction, 1824 Lighthouse Lane**

### **Privilege of the Floor**

- 5) Demolition Order and request to approve the submission of bids: 414 River Avenue-(Ron Davidhizar)**

### **Approval of Civil City and Utility Claims**

### ***Adjournment***



## BOARD OF PUBLIC WORKS & SAFETY & STORMWATER BOARD

### MINUTES OF THE Feb. 14, 2022 REGULAR MEETING

*Convened at 2 p.m. at Goshen Police & Court Building, 111 East Jefferson Street, Goshen, Indiana*

**Present:** Mayor Jeremy Stutsman and members Mike Landis, Mary Nichols, DeWayne Riouse and Barb Swartley

**Absent:** None

**CALL TO ORDER:** Mayor Stutsman called the meeting to order at 2 p.m.

**REVIEW/APPROVE MINUTES:** Minutes of the Feb. 7, 2022 meeting of the Board of Works & Safety & Stormwater Board were presented. Board member Mary Nichols moved to approve the minutes as presented and the motion was seconded by Board member DeWayne Riouse. Motion passed 5-0.

**REVIEW/APPROVE AGENDA:** Mayor Stutsman presented the agenda. Board member Nichols moved to approve the agenda as submitted. Board member Riouse seconded the motion. Motion passed 5-0.

#### 1) Police Department: Conditional offer of employment to Maxwell Jacob Harmon

Shannon Marks, a paralegal with the City Legal Department, asked the Board to extend a conditional offer of employment to Maxwell Jacob Harmon as a probationary patrol officer as well as approve and authorize the Mayor to execute the Conditional Offer of Employment Agreement with Harmon. The agreement sets forth the conditions that Harmon must meet prior to beginning employment with the Police Department as a probationary patrol officer, and requires him to successfully complete all training requirements once employed. The Police Department will request the Board to confirm an offer of employment to Harmon when a position becomes available in the department.

Nichols/Riouse moved to extend a conditional offer of employment to Maxwell Jacob Harmon as a probationary patrol officer as well as approve and authorize the Mayor to execute the Conditional Offer of Employment Agreement with Harmon. Motion passed 5-0.

#### 2) Requested action regarding Goshen Water & Sewer unpaid final accounts

Goshen Water & Sewer Office Manager Kelly Saenz asked the Board to move the office's uncollected finalized accounts from active to Collection, Sewer Liens and Write offs. Saenz reported that the original amount of unpaid final Water/Sewer accounts for this period, through Oct. 18, 2021, was \$18,717.89. Collection letters were sent out and payments of \$13,108.16 had been collected. The uncollected amount equals \$5,609.73.

Nichols/Riouse moved to approve the Goshen Water and Sewer Office's request to move uncollected finalized accounts from active to Collection, Sewer Liens and Write offs. Motion passed 5-0.

#### 3) Agreement with M&M Fire Protection & Security for alarm system equipment & monitoring

Carla Newcomer, a paralegal with the City Legal Department, asked the Board to approve and execute the agreement with M&M Fire Protection and Security, Corp. for alarm system equipment and monitoring at the City Utilities business office.



Newcomer said M&M Fire Protection and Security will be paid \$1,831.67 for the security monitoring equipment and installation and \$44.99 per month for monitoring services at the City Utilities business office.

**Nichols/Riouse moved to approve and execute the agreement with M&M Fire Protection and Security, Corp. for alarm system equipment and monitoring at the City Utilities business office. Motion passed 5-0.**

**4) Agreement with Newbury Square Construction, LLC for the installation of a steel roof at the airport**

**City Attorney Bodie Stegelmann** asked the Board to approve and execute an agreement with Newbury Square Construction, LLC for the installation of a new steel roof on Hangar A at the Goshen Municipal Airport. Newbury Square Construction, which is based in LaGrange, Indiana, will be paid \$35,723.20 for the work and is expected to be completed as soon as possible as weather allows. **Mayor Stutsman** noted that **Airport Manager Randy Sharkey** and **Board of Aviation President Denny Richmond** were present in case there were questions or concerns.

**Nichols/Riouse moved to approve and execute an agreement with Newbury Square Construction, LLC for the installation of a new steel roof on Hangar A at the Goshen Municipal Airport at a cost of \$35,723.20, to be completed as soon as possible as weather allows. Motion passed 5-0.**

**5) Resolution 2022-07: Approving City of Goshen Policies and Repealing Various Policies**

**City Attorney Bodie Stegelmann** asked the Board to approve Resolution 2022-07, Approving City of Goshen Policies and Repealing Various Policies. On January 24, 2022, the Board adopted Resolution 2022-05, which approved certain City of Goshen policies. Stegelmann said that afterward, it was discovered that the committee working on the revision of City policies did not take into consideration a NON-DISCRIMINATION policy adopted April 17, 2017, which addressed the same subjects as the NON-DISCRIMINATION IN EMPLOYMENT policy and the ADA COORDINATOR AND GRIEVANCE PROCEDURES policy adopted as part of Resolution 2022-05. Also subsequent to the adoption of Resolution 2022-05, City staff determined that the best electronic location at which to store City policies is in the Human Resources folder on the City's computer interdepartmental B: drive, rather than on the City website, which would require a revision of the INTRODUCTION OF POLICIES policy. Stegelmann provided a red-line version of INTRODUCTION OF POLICIES to show the revisions.

**Nichols/Riouse moved to approve Resolution 2022-07, Approving City of Goshen Policies and Repealing Various Policies. Motion passed 5-0.**

**Privilege of the Floor:**

**Mayor Stutsman** opened Privilege of the Floor at 2:07 p.m. There were no public comments, so **Mayor Stutsman** closed the public comment period at 2:07 p.m.

As the matters before the Board of Public Works & Safety and Stormwater Board were concluded, **Mayor Stutsman/Riouse** moved to approve Civil City and Utility claims and adjourn the meeting. Motion passed 5-0.

The Mayor adjourned the meeting at 2:07 p.m.



**APPROVED**

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Jeremy Stutsman, Chair

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Michael Landis, Member

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Mary Nichols, Member

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Barb Swartley, Member

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DeWayne Riouse, Member

**ATTEST**

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Richard R. Aguirre, Clerk-Treasurer



**Legal Department, CITY OF GOSHEN**

204 East Jefferson Street, Suite 2 • Goshen, IN 46528-3405

Phone (574) 537-3820 • Fax (574) 537-3817 • TDD (574) 534-3185  
www.goshenindiana.org

February 21, 2022

**To:** Board of Public Works and Safety  
**From:** Brandy L. Henderson  
**Subject:** Community Service Partnership Agreement- Warsaw Housing Authority

The City of Goshen has many various community service organizations that provide services or programs to its residents in a manner more efficient than what the City can provide. The City supports these organizations with funds from the Community Services Partnership Program. One such organization is the Warsaw Housing Authority (WHA). WHA has applied to this program, requesting \$23,000 for operational and programming support and has provided all the required information. An agreement is now being brought before the Board for consideration and approval to award the requested funds to WHA.

**Suggested Motion:** I move that the City of Goshen approve, and authorize Mayor Stutsman to execute, the agreement with Warsaw Housing Authority providing the requested funds for operational and programming support as outlined in its submitted application to the Community Service Partnership Program

**COMMUNITY SERVICE**  
**PARTNERSHIP AGREEMENT**

**With Warsaw Housing Authority to Provide Operational and Programming Support**

This Community Service Partnership Agreement (“Agreement”), entered into by and between the City of Goshen, Indiana (“the City”) and Warsaw Housing Authority (the “Partner”), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

1. **Purpose of this Agreement; Funds Award.**

A. The purpose of this Agreement is to enable the City to award funds, in the amount of Twenty-Three Thousand Dollars (\$23,000), to the Partner for eligible costs of the services or program described in Partner’s Community Services Partnership Application, a copy of which is attached hereto and made a part hereof (the “Project”).

B. The funds shall be used exclusively in accordance with the provisions contained in this Agreement, in Partner’s Community Services Partnership Application, and in conformance with any applicable Indiana Code provisions. The funds received by the Partner pursuant to this Agreement shall be used only to implement the Project or to provide the services in conformance with this Agreement and for no other purpose.

2. **Representations and Warranties of the Partner.**

A. The Partner expressly represents and warrants to the City that it is statutorily eligible to receive these funds and that the information set forth in its Community Services Partnership Application is true, complete, and accurate. The Partner expressly agrees to promptly repay all funds paid to it under this Agreement should it be determined either that it was ineligible to receive the funds, or it made any material misrepresentation on its Community Services Partnership Application.

B. By entering into this Agreement, Partner certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Agreement by any federal or state department or agency. The term “principal” for purposes of this Agreement is defined as an officer, director, owner, partner, key employee, other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Partner.

3. **Implementation of and Reporting on the Project.**

A. The Partner shall implement and complete the Project in accordance with the description contained in Partner’s Community Services Partnership Application. Any modification of the Project from the description given in Partner’s Community Services Partnership Application shall require prior written approval of the City.

B. The Partner shall submit to the City a Final Community Services Partnership Report Form within thirty (30) days of completion of the Project, but no later than December 16, 2022, on forms provided by the City.

4. Term. This Agreement commences upon execution by both parties and approval by the Goshen Board of Public Works and Safety, and shall remain in effect through completion of the Project, or December 31, 2022, whichever is later.

5. Funding.

A. The City shall fund this award during its term, pursuant to the project budget set forth within Partner's Community Services Partnership Application. The Partner shall not make substantial modifications to any line item in the budget without the prior written consent of the City, nor shall the Project costs funded by this Agreement be changed or modified without the prior written consent of the City.

B. The disbursement of funds to the Partner shall not be made until this Agreement has been fully approved by the City.

6. Payment of Claims.

A. If advance or lump payment of all or a portion of the funds is not prohibited by statute or regulation, and the City agrees to provide such advance payment, advance payment shall be made only upon submission of a proper claim setting out the intended purposes of those funds. Otherwise, all payments shall be made forty-five (45) days in arrears in conformance with applicable fiscal policies and procedures.

B. Requests for payment will be processed only upon presentation of a claim in the form designated by the City, and must be submitted with accompanying supportive documentation as requested by the City.

7. Project Monitoring by the City. The City may conduct on-site or off-site monitoring reviews of the Project during the term of this Agreement and for up to ninety (90) days after it expires or is otherwise terminated. The Partner shall extend its full cooperation and give full access to the Project site and to relevant documentation to the City or its authorized designees for the purpose of determining, among other things:

A. whether Project activities are consistent with those set forth in the Partner's Community Services Partnership Application;

B. the actual expenditure of funds to date on the Project is in conformity with the amounts for each budget line item as contained in Partner's Community Services Partnership Application and that unpaid costs have been properly accrued; and

C. that Partner is making timely progress with the Project, and that its project management, financial management and control systems, procurement systems and methods, and overall performance are in conformance with the requirements set forth in this Agreement and are fully and accurately reflected in Project reports submitted to the City.

8. Audits and Maintenance of Records. Partner may be required to submit to an audit of funds paid pursuant to this Agreement, and shall make all books, accounting records, and other documents available at all reasonable times during the term of this Agreement and for a period of three (3) years after final payment for inspection by the City or its authorized designee. Copies shall be furnished to the City at no cost.

9. Compliance with Laws.

A. The Partner shall comply with all applicable federal, state and local laws, rules, regulations and ordinances. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Agreement shall be reviewed by the City and the Partner to determine whether the provisions of this Agreement require formal modification.

B. The Partner warrants that the Partner and any contractors performing work in connection with the Project shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of any work activities. Failure to do so may be deemed a material breach of this Agreement and grounds for immediate termination and denial of further opportunities with the City under this program.

C. The Partner affirms that, if it is an entity described in Indiana Code Title 23, it is properly registered, and owes no outstanding reports to the Indiana Secretary of State.

D. As required by I.C. § 5-22-3-7:

i. The Partner and any principals of the Partner certify that:

a. the Partner, except for *de minimis* and nonsystematic violations, has not violated the terms of:

(i) I.C. 24-4.7 [Telephone Solicitation Of Consumers];

(ii) I.C. 24-5-12 [Telephone Solicitations]; or

(iii) I.C. 24-5-14 [Regulation of Automatic Dialing Machines];

in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law; and

b. the Partner will not violate the terms of I.C. 24-4.7 for the duration of this Agreement, even if I.C. 24-4.7 is preempted by federal law.

ii. The Partner and any principals of the Partner certify that an affiliate or principal of the Partner and any agent acting on behalf of the Partner or on behalf of an affiliate or principal of the Partner, except for *de minimis* and nonsystematic violations,



c. has not violated the terms of I.C. 24-4.7 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law; and

d. will not violate the terms of I.C. 24-4.7 for the duration of this Agreement even if I.C. 24-4.7 is preempted by federal law.

10. Employment Eligibility Verification. As required by I.C. 22-5-1.7, the Partner hereby swears or affirms under the penalties of perjury that:

A. The Partner has enrolled and is participating in the E-Verify program;

B. The Partner has provided documentation to the City that it has enrolled and is participating in the E-Verify program;

A. The Partner does not knowingly employ an unauthorized alien.

B. The Partner shall require its contractors who perform work under this Agreement to certify to Partner that the contractor does not knowingly employ or contract with an unauthorized alien and that the contractor has enrolled and is participating in the E-Verify program. The Partner shall maintain this certification throughout the duration of the term of a contract with a contractor.

The City may terminate for default if the Partner fails to cure a breach of this provision no later than thirty (30) days after being notified by the City.

11. Funding Cancellation. When a written determination is made that funds are not appropriated or otherwise available to support continuation of performance of this Agreement, it shall be canceled.

12. Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Indiana, without regard to its conflict of laws rules. Suit, if any, must be brought in Elkhart County, State of Indiana.

13. Nondiscrimination. Pursuant to the Indiana Civil Rights Law, specifically including I.C. § 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Partner covenants that it shall not discriminate against any employee or applicant for employment relating to this Agreement with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee or applicant's: race, color, national origin, religion, sex, sexual orientation or identity, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Furthermore, Partner certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services.

The Partner understands that the City is a recipient of federal funds, and therefore, where applicable, Partner and any subcontractors shall comply with requisite affirmative action

requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246 as amended by Executive Order 13672.

14. Contracting with Relatives.

Pursuant to IC 36-1-21, if Partner is wholly or partially owned by a relative of an elected official of the City Partner certifies that Partner has notified in writing both the elected official of the City and the City's legal department prior to entering into this contract that an elected official of the City is a relative of an owner of Partner.

15. Notice to Parties. Whenever any notice, statement or other communication is required under this Agreement, it shall be sent by first class mail or via an established courier/delivery service to the following addresses, unless otherwise specifically advised.

A. Notices to the City shall be sent to:

City of Goshen  
Attn: Legal Department  
204 E. Jefferson Street  
Goshen, IN 46526  
bodiestegelman@goshencity.com

B. Notices to the Partner shall be sent to (Include contact name and title, mailing and e-mail address):

Warsaw Housing Authority  
Attn: Pam Kennedy, Executive Director  
109 Catherine Street  
PO Box 387  
Milford, IN 46542  
pkennedy@warsawhousing.com

16. Order of Precedence. Any inconsistency or ambiguity in this Agreement shall be resolved by giving precedence in the following order: (1) requirements imposed by applicable federal or State law; (2) this Agreement; (3) the Community Services Partnership Application.

17. Termination for Breach.

A. Failure to complete the Project and expend funds in accordance with this Agreement may be considered a material breach, and shall entitle the City to suspend payments under this Agreement, and suspend the Partner's participation in the City Community Service Partnership program until such time as all material breaches are cured to the City's satisfaction.

B. The expenditure of funds other than in conformance with the Project or the Budget may be deemed a breach. The Partner explicitly covenants that it shall promptly repay to the City all funds not spent in conformance with this Agreement.

18. Termination for Convenience. Unless prohibited by a statute or regulation relating to the award under this Agreement, this Agreement may be terminated, in whole or in part, by the City whenever, for any reason, the City determines that such termination is in the best interest of the City. Termination shall be effected by delivery to the Partner of a Termination Notice, specifying effective date of termination and extent of termination. The Partner shall be compensated for completion of the Project properly done prior to the effective date of termination. The City will not be liable for work on the Project performed after the effective date of termination.

19. Non-Collusion, Acceptance. The undersigned individual signing on behalf of the Partner attests, subject to the penalties for perjury, that the undersigned is the Partner or a properly authorized representative, agent, member, or officer of the Partner. To the undersigned's knowledge, neither the undersigned nor any other member, employee, representative, agent, or officer of the Partner, directly or indirectly, has entered into or been offered any sum of money or other consideration for the execution of this Agreement other than that which appears upon the face hereof.

In Witness Whereof, Partner and the City have, through their duly authorized representatives, entered into this Agreement. The parties, having read and understood the foregoing terms of this Agreement, do by their respective signatures dated below agree to the terms thereof.

CITY:

CITY OF GOSHEN, INDIANA

\_\_\_\_\_  
Jeremy P. Stutsman, Mayor

Date: \_\_\_\_\_

PARTNER:

WARSAW HOUSING AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Community Service Partnership Application  
Program Year 2022**

(Attach additional sheets if space provided is not adequate.)

Applications available: Monday, November 1, 2021.

**Applications due: Monday, November 22, 2021.**

Application submittal: Please submit one signed original, with attachments. No copies required. Submittal may be made via email.

Applications due to: Denise Blenner 202 S. Fifth, Goshen, IN 46528; [mayor@goshencity.com](mailto:mayor@goshencity.com)

Call 533-9322 with questions.

*Summary of Community Service Partnership Priorities*

Each activity must meet one of the following priorities:

1. Address a goal that has been identified in the Goshen Comprehensive Plan:  
<https://goshenindiana.org/planning-zoning>
2. Address a goal that has been identified in the CDBG Five Year Consolidated Plan:  
[https://goshenindiana.org/media/uploads/0/8255\\_2020-2024-Consolidated-Plan\\_2020-AAP\\_Final.pdf](https://goshenindiana.org/media/uploads/0/8255_2020-2024-Consolidated-Plan_2020-AAP_Final.pdf)
3. Meet an urgent community development need.

Community Services Partnership funds for program year 2022 will become available sometime after July 1, 2022. If an award is made, program expenses may be incurred starting January 1, 2022, but no claims will be paid until grant agreements are approved by the Board of Public Works and signed.

Organization: Warsaw Housing Authority  
Organization Address: 109 Catherine Street, Milford, IN 46542  
Mailing Address: PO Box 387, Milford, IN 46542  
Contact Person: Pam Kennedy, Executive Director  
Phone Number: (574) 269-7641  
Email address: pkennedy@warsawhousing.com

Project Title: Operational & Programming Support  
Community Service award requested: \$ \$23,000  
Expected number of individuals to benefit from this project: 150

1. Briefly describe the proposed project. Include the need or problem to be addressed, the population (or area) to be served, a description of the work, including who will carry it out, and the proposed schedule of work, including the proposed timing of requests for Community Service funds.

Located in Milford, the Warsaw Housing Authority (WHA) administers the HUD-funded Housing Choice Voucher Program (Section 8) for the cities of Warsaw and Goshen. The HCV program is the foundation of affordable housing in the City of Goshen. Admin revenue from HUD does not cover all operational costs nor fund additional or capacity building programs that aim to benefit our clients, participating landlords and the communities in which we serve.

The proposed request for funding includes the continuation of a pilot program that began during the pandemic in an effort to increase and improve access to affordable housing. In its approximate 15-month period of performance, the results and feedback of this rental education and incentive program have been highly positive. Each month, the WHA offers a 3-hour class to new voucher holders. The class covers topics such as budgeting, Landlord/Tenant Law, how to seek housing as well as information about other community resources that the voucher holder may be eligible for. Each participant receives a notebook with information and resources. Participants that lease-up receive a financial assistance toward their rental deposit paid directly to the landlord. This assistance creates incentive for new voucher holders to find housing and for landlords to participate.

WHA's location (inaccessible to public transportation) and lack of visibility in Goshen have been identified as barriers to some of the most vulnerable residents. The proposal also includes a WHA staff person to have Goshen office hours approximately 3x/month. This staff person would accept applications as well as schedule appointments for annual recertifications for existing voucher holders. This program would seek to make affordable housing more accessible for Goshen residents, with desired outcomes such as an increased number of applications to program and a more efficient recertification process. WHA is noticing a growing trend of applicants that meet the definition of homeless, and an initiative such as this would aim to reduce some of the barriers they're facing to accessing affordable housing.

WHA would invoice the City of Goshen every 60 days.

2. Complete the line item budget for the proposed project and provide details on how reimbursed costs will be calculated.

Item Description	Total Amount	Community Service Funds	Other Funds
a. Salaries & Payroll Taxes	\$5,000		
b. Mileage	\$1,000		
c. Administration, Supplies, Marketing	\$2,600		
d. Assistance for Class Participants	\$14,400		
e.			
f.			
<b>TOTALS</b>	<b>\$23,000</b>		

3. List the source and amount of other sources of funding, including matching funds and in-kind contributions, expected to be used to support this project. For in-kind contributions, such as volunteer labor, please include the number of hours and dollar value (\$10 per hour) of the volunteer hours.

In addition to the per voucher administration reimbursement received by HUD, the City of Warsaw provides \$35,000 annually to supplement operations.

4. Describe how the project will meet one or more of the objectives identified in the Goshen Comprehensive Plan, CDBG Consolidated Plan or meet an urgent community development need.

Promoting increased accessibility, the delivery of incentive programs and the preservation of affordable housing opportunities in Goshen via support provided to the Warsaw Housing Authority directly meets the following goals and objectives in both Goshen's Comprehensive Plan and the CDBG Consolidated Plan:

Goshen Comprehensive Plan:  
 N-7: Expand housing option and opportunities  
 "A stable mix of housing types that provide options for all resident is necessary for the vitality of the community. A healthy mix housing option, including market rate and affordable, owner and rental occupied, single-family, two-family and multi-family, housing for seniors and persons with special needs, ensures housing opportunities for all members for the community."  
 Obj-1. Increase the supply of affordable rental housing; Obj-5. Support educational programs for homeownership.

C-2: Pursue innovative ways to provide and deliver community services  
 Obj-1. Encourage partnerships between service providers; Obj-4. Address homelessness in the community; Obj-7. Explore funding sources for community services.

CDBG Consolidated Plan:  
 1. Housing Opportunities  
 a. Expand housing options and assistance  
 b. Increase quality of rental housing (listed under both this category as well as Neighborhood Revitalization category)  
 c. Maintain and facilitate use of Housing Choice voucher program.  
 2. Access to Services  
 a. Support life skill development

5. What are the measurable goals and timeline for this project or program? How will you define and measure success?

During the first year of the program, approximately 63% of those invited completed the class. Of that total, approximately 63% leased up and were provided deposit assistance. Goals for the next year would be to maintain or exceed these percentages. In addition, WHA seeks to maintain positive feedback from both participants and landlords about the program and the WHA' efforts to improve access to their services. In the first year of the program, the majority of participants reported benefiting from the class and intent to utilize information and resources shared. Similarly, landlords have made referrals to class and have responded positively to the deposit assistance provided.

Providing on-site staff in Goshen would aim to remove barriers to transportation and improve use of staff time by reducing the number of missed/rescheduled appointments due to this barrier often experienced by Goshen residents.

WHA will measure success of the program by the number of families leasing up and new landlords due to deposit assistance. Of the families leased that have participated in the education component: % of compliance with the HUD rules and landlord leases. Spread sheets will be kept outlining families invited, how many attended and the population type. (Homeless, special needs, seniors, families.)  
 WHA has also designed a spreadsheet to track % of appointments attended and not rescheduled with offering offering the appointments in Goshen.

#6- The WHA's jurisdiction includes both the cities of Warsaw and Goshen. The population that directly benefits from the services of the WHA includes low-income individuals and families. This can include, but is not limited to, those with disabilities, elderly and single-parent households with children. Both the Goshen and Warsaw communities benefit from the presence and operation of the WHA due to the availability of affordable housing options.

6. Please describe the population who will benefit from this project or program. Include demographic information in this description (age, income, ethnicity, race, etc.)

See Above

**Organizational Characteristics**

IRS nonprofit status n/a-pass through gov't entity

Years in operation 50

Number of full-time paid staff 4

Number of part-time paid staff 0

Number of volunteer staff 0

Number of Board members 8

Briefly describe the organization's structure, mission statement and services provided.

The mission of the Warsaw Housing Authority is to provide quality housing opportunities to improve the lives of citizens who are in need and to provide safe, affordable housing for eligible residents of the City of Warsaw and City of Goshen.

The Warsaw Housing Authority provides Housing Choice Vouchers and Project Based vouchers to pay a portion of rent and utilities for families of 50% AMI and lower. We provide education on life skills and work as case workers for each family we serve.

The Warsaw Housing Authority is a public housing authority in good standing with HUD.

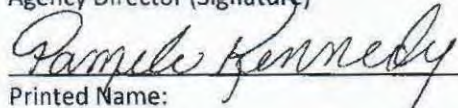
Please attach copies of the following documents to the original application. If any of the requested documents are not available, please attach an explanation. If you have previously submitted the requested documents, and there have been no changes, new copies are not required, but please indicate which documents have been previously submitted.

- a. Most recent Annual Report and Audit
- b. Current fiscal year budget
- c. Current list of Board of Directors

**Certification Of Authorization To Submit This Application**

I (We) certify to the City of Goshen that the Board of Directors of the organization identified on page 1 of this application authorized the submission of this application.

Agency Director (Signature)

  
Printed Name: \_\_\_\_\_

Date: 1/5/22

Chairperson, Board of Directors (Signature)

  
Printed Name: Kurt Carlson

Date: 1/5/22



December 22, 2021

PAM KENNEDY  
EXECUTIVE DIRECTOR  
WARSAW HOUSING AUTHORITY  
PO BOX 387  
MILFORD, IN 46542

Dear Pam,

Enclosed is your **FINAL** report packet for month of **September 2021** for the following project:

**Vouchers**

Year-to-Date Residual Receipts (or Deficit) & Operating Reserve Balance as of September 30, 2021	Residual Receipts*	Operating Reserve**
<b>Vouchers</b>	\$5,534.50	\$22,378.84

*\*Residual Receipts is the amount remaining after all income earned during the current year is used to pay current year expenses. If the amount is in parenthesis, current year expense exceeds current year income.*

*\*\*Operating Reserve is the cumulative amount of Residual Receipts since the date that the Housing Program first started its specific purpose in serving the community.*

If you have any questions concerning the above, please feel free to contact us.

Sincerely,

*Rick L. Schwartz*

Rick L. Schwartz  
Managing Partner

Enclosure



**WARSAW H/A - VOUCHERS**  
**Board Summary Report (Final)**  
**As of September 30, 2021**

	Fiscal Year		+/-
	Current	Begin Bal	
<b>Cash &amp; Investments</b>			
1111.01 · CASH GENERAL FUND	154,577.94	117,591.34	36,986.60
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>154,577.94</b>	<b>117,591.34</b>	<b>36,986.60</b>

	Current FY YTD	Prior FY YTD	Increase / (Decrease)
<b>Receipts</b>			
ADMINISTRATIVE FEES EARNED	229,441.00	194,101.00	35,340.00
OTHER OPERATING RECEIPTS	12,064.06	12,477.40	(413.34)
<b>TOTAL OPERATING RECEIPTS</b>	<b>241,505.06</b>	<b>206,578.40</b>	<b>34,926.66</b>
<b>Expenses</b>			
ADMINISTRATIVE EXPENSES	216,737.49	205,414.15	11,323.34
MAINTENANCE EXPENSE	1,300.00	1,169.60	130.40
GENERAL EXPENSE	17,933.07	16,014.22	1,918.85
<b>TOTAL OPERATING EXPENSES</b>	<b>235,970.56</b>	<b>222,597.97</b>	<b>13,372.59</b>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>5,534.50</b>	<b>(16,019.57)</b>	<b>21,554.07</b>

	Current YTD
<b>Operating Reserve</b>	
2806.01 · UNRESTRICTED NET POSITION-ADMIN	16,844.34
<b>OPERATING RESERVE, BEGINNING OF FISCAL YEAR</b>	<b>16,844.34</b>
NET INCOME (LOSS) FROM OPERATIONS	5,534.50
<b>OPERATING RESERVE, END OF CURRENT PERIOD</b>	<b>22,378.84</b>

**WARSAW H/A - VOUCHERS**  
**Statement of Net Position (Final)**  
**As of September 30, 2021**

	<u>Current Month</u>	<u>Fiscal Year Begin Bal</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
1111.01 · CASH GENERAL FUND	154,577.94	117,591.34	36,986.60
1125.01 · ACCTS RECEIVABLE-HUD ADMIN FEE	6,517.00	0.00	6,517.00
1129.01 · ACCTS RECEIVABLE-FRAUD RECOVERY	40,639.63	29,971.31	10,668.32
1129.02 · ALLOW FOR DOUBTFUL ACCTS FRAUD	(34,543.69)	(25,367.72)	(9,175.97)
1211.00 · PREPAID INSURANCE	1,023.90	1,284.51	(260.61)
1290.02 · MPL-SECURITY DEPOSIT	240.00	240.00	0.00
1290.04 · PREPAID EXPENSE	17.50	17.50	0.00
1290.05 · PREPAID COMPUTER SUPPORT	6,245.56	1,786.88	4,458.68
<b>TOTAL CURRENT ASSETS</b>	<u>174,717.84</u>	<u>125,523.82</u>	<u>49,194.02</u>
1475.01 · OFFICE FURNITURE & EQUIPMENT	23,959.10	24,273.47	(314.37)
1499.99 · ACCUMULATED DEPRECIATION	(17,573.89)	(16,013.26)	(1,560.63)
<b>NET FIXED ASSETS</b>	<u>6,385.21</u>	<u>8,260.21</u>	<u>(1,875.00)</u>
<b>TOTAL ASSETS</b>	<u>181,103.05</u>	<u>133,784.03</u>	<u>47,319.02</u>
<b>LIABILITIES</b>			
2111.05 · ACCOUNTS PAYABLE-REFUND	0.00	315.00	(315.00)
2118.01 · UNEARNED REV-HUD (ADMIN FEES)	0.00	22.00	(22.00)
2118.04 · UNEARNED REVENUE AF-CARES ACT	7,066.63	52,467.36	(45,400.73)
2119.01 · ACCOUNTS PAYABLE-HAP	0.00	30.00	(30.00)
2119.06 · ACCOUNTS PAYABLE-BUS ACT	61,492.89	37,820.46	23,672.43
2135.01 · ACCRUED WAGES & SALARIES	5,582.62	4,972.92	609.70
2135.10 · COMPENSATED ABSENCES-CURRENT	7,705.92	7,993.02	(287.10)
<b>TOTAL LIABILITIES</b>	<u>81,848.06</u>	<u>103,620.76</u>	<u>(21,772.70)</u>
<b>NET POSITION</b>			
2802.01 · INVESTMENT IN CAPITAL ASSETS	6,385.21	8,260.21	(1,875.00)
2806.01 · UNRESTRICTED NET POSITION-ADMIN	22,378.84	16,844.34	5,534.50
2806.03 · RESTRICTED NET POSITION-HAP	70,490.94	5,058.72	65,432.22
<b>TOTAL NET POSITION</b>	<u>99,254.99</u>	<u>30,163.27</u>	<u>69,091.72</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>181,103.05</u>	<u>133,784.03</u>	<u>47,319.02</u>

**WARSAW H/A - VOUCHERS**  
**Statement of Operating Receipts and Expenditures (Final)**  
**(Prior Year Comparison)**  
**As of September 30, 2021**

12/17/2021 10:42 AM

	Current Activity	Prior FY Activity	Current YTD	Prior FY YTD	+/-
<b>Receipts</b>					
3600.00 · ADMINISTRATIVE FEES EARNED	34,649.07	19,802.17	229,441.00	194,101.00	35,340.00
3606.00 · FRAUD RECOVERIES (ADMIN SHARE)	1,863.11	104.22	11,986.30	12,391.99	(405.69)
3610.00 · INVESTMENT INCOME	8.07	6.40	77.76	75.41	2.35
3690.00 · OTHER INCOME	0.00	0.00	0.00	10.00	(10.00)
<b>TOTAL OTHER OPERATING RECEIPTS</b>	<b>36,520.25</b>	<b>19,912.79</b>	<b>241,505.06</b>	<b>206,578.40</b>	<b>34,926.66</b>
<b>TOTAL RECEIPTS</b>	<b>36,520.25</b>	<b>19,912.79</b>	<b>241,505.06</b>	<b>206,578.40</b>	<b>34,926.66</b>
<b>Expenses</b>					
4110.00 · ADMINISTRATIVE SALARIES	(1,749.42)	4,240.09	136,924.19	133,471.42	3,452.77
4110.01 · COMPENSATED ABSENCES-ADMIN	15,714.69	15,908.93	15,714.69	15,908.93	(194.24)
4140.00 · STAFF TRAINING	0.00	0.00	0.00	200.10	(200.10)
4150.00 · TRAVEL	133.01	353.91	4,788.59	4,912.26	(123.67)
4170.00 · FEE ACCOUNTANT	956.00	(678.14)	6,410.00	6,383.40	26.60
4171.00 · AUDITING FEES	0.00	0.00	7,620.00	5,551.00	2,069.00
4180.00 · OFFICE RENT EXPENSE	705.00	660.00	4,410.00	3,900.00	510.00
4180.01 · UTILITIES	181.57	423.42	3,573.53	3,509.19	64.34
4190.00 · SUNDRY-OTHER ADMIN EXPENSE	(59.59)	1,465.00	16,907.29	12,955.86	3,951.43
4190.10 · OFFICE EXPENSES	317.36	41.89	2,740.07	2,245.65	494.42
4190.13 · ADVERTISING & MARKETING	0.00	0.00	596.52	0.00	596.52
4190.40 · POSTAGE	0.00	488.15	3,962.85	3,841.57	121.28
4190.50 · COMPUTER SUPPORT	389.99	446.72	7,100.57	5,077.30	2,023.27
4190.60 · TELEPHONE	272.18	310.94	3,724.08	5,617.00	(1,892.92)
4190.85 · MEMBERSHIP DUES	64.00	80.00	706.80	689.00	17.80
4190.90 · ADMIN SERVICE CONTRACT	240.00	0.00	1,558.31	1,151.47	406.84
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>17,164.79</b>	<b>23,740.91</b>	<b>216,737.49</b>	<b>205,414.15</b>	<b>11,323.34</b>
4400.00 · MAINTENANCE & OPERATION	0.00	0.00	157.00	196.00	(39.00)
4430.00 · CONTRACT COSTS-MISC MAINT	0.00	0.00	100.00	0.00	100.00
4430.40 · LANDSCAPE & GROUNDS CONTRACT	140.00	48.00	833.00	778.10	54.90
4431.00 · GARBAGE & TRASH REMOVAL	35.00	12.75	210.00	195.50	14.50
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>175.00</b>	<b>60.75</b>	<b>1,300.00</b>	<b>1,169.60</b>	<b>130.40</b>
4510.10 · PROPERTY INSURANCE	22.46	41.94	347.42	429.34	(81.92)
4510.20 · LIABILITY INSURANCE	409.96	358.63	5,009.02	4,127.22	881.80
4510.30 · WORKERS COMPENSATION INSURANCE	43.23	39.32	503.06	314.52	188.54
4510.40 · ALL OTHER INSURANCE	0.00	31.73	337.81	314.99	22.82
4540.00 · EMPLOYEE BENEFIT CONTRIBUTIONS	1,150.87	946.29	11,735.76	10,828.15	907.61
<b>TOTAL GENERAL EXPENSE</b>	<b>1,626.52</b>	<b>1,417.91</b>	<b>17,933.07</b>	<b>16,014.22</b>	<b>1,918.85</b>
<b>TOTAL ROUTINE EXPENSE</b>	<b>18,966.31</b>	<b>25,219.57</b>	<b>235,970.56</b>	<b>222,597.97</b>	<b>13,372.59</b>
4800.00 · DEPRECIATION EXPENSE	1,875.00	703.61	1,875.00	703.61	1,171.39
<b>TOTAL NONROUTINE EXPENSE</b>	<b>1,875.00</b>	<b>703.61</b>	<b>1,875.00</b>	<b>703.61</b>	<b>1,171.39</b>
<b>TOTAL EXPENSE</b>	<b>20,841.31</b>	<b>25,923.18</b>	<b>237,845.56</b>	<b>223,301.58</b>	<b>14,543.98</b>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE CARES ACT &amp; VO PROGRAM HAP ACTIVITY</b>	<b>15,678.94</b>	<b>(6,010.39)</b>	<b>3,659.50</b>	<b>(16,723.18)</b>	<b>20,382.68</b>

**WARSAW H/A - VOUCHERS**  
**Statement of Operating Receipts and Expenditures (Final)**  
**(Prior Year Comparison)**  
**As of September 30, 2021**

	Current Activity	Prior FY Activity	Current YTD	Prior FY YTD	+/-
<b>CARES Act Supplemental Administrative Fee</b>					
3600.CV · CARES ACT ADMINISTRATIVE FEE	(3,459.84)	6,761.62	45,400.73	26,847.64	18,553.09
4110.CV · ADMINISTRATIVE WAGES-CARES ACT	85.10	(1,460.25)	(10,479.64)	(9,139.54)	(1,340.10)
4170.CV · FEE ACCOUNTANT-CARES ACT	0.00	0.00	0.00	(575.00)	575.00
4190.CV · SUNDRY (OTHER ADMIN)-CARES ACT	0.00	0.00	0.00	(2.95)	2.95
4191.CV · OFFICE EXPENSES-CARES ACT	192.11	(241.23)	(886.06)	(1,655.86)	769.80
4199.CV · ADMIN SERV CONTRACT-CARES ACT	5,622.00	(512.50)	(9,964.00)	(3,010.46)	(6,953.54)
4430.CV · MAINT CONTRACT COSTS-CARES ACT	0.00	0.00	0.00	(73.50)	73.50
4540.CV · EMPLOYEE BENEFITS-CARES ACT	(39.37)	(14.14)	(871.03)	(605.83)	(265.20)
4590.CV · OTHER GENERAL EXPENSE-CARES ACT	(2,400.00)	(1,603.00)	(23,200.00)	(3,603.00)	(19,597.00)
7520.CV · EQUIPMENT REPLACEMENT-CARES ACT	0.00	(2,930.50)	0.00	(8,181.50)	8,181.50
7590.CV · PROP & EQUIP CARES ACT-CONTRA	0.00	8,181.50	0.00	8,181.50	(8,181.50)
<b>INCREASE (DECREASE) CARES ACT ADMIN FEE</b>	<b>0.00</b>	<b>8,181.50</b>	<b>0.00</b>	<b>8,181.50</b>	<b>(8,181.50)</b>
<b>Section 8 Voucher Program HAP Activity</b>					
8026.01 · ANNUAL CONTRIBUTIONS REC'D-HAP	157,462.00	153,969.00	1,991,338.00	1,662,265.00	329,073.00
3606.01 · FRAUD RECOVERIES (HAP SHARE)	1,863.11	104.22	11,986.30	12,391.99	(405.69)
4715.00 · HOUSING ASSISTANCE PAYMENTS	(162,574.46)	(159,554.64)	(1,937,892.08)	(1,729,814.64)	(208,077.44)
<b>INCREASE (DECREASE) IN VO HAP ACTIVITY</b>	<b>(3,249.35)</b>	<b>(5,481.42)</b>	<b>65,432.22</b>	<b>(55,157.65)</b>	<b>120,589.87</b>
<b>TOTAL INCREASE (DECREASE) IN NET POSITION</b>	<b>12,429.59</b>	<b>(3,310.31)</b>	<b>69,091.72</b>	<b>(63,699.33)</b>	<b>132,791.05</b>

**WARSAW H/A - VOUCHERS**  
**CARES Act Profit and Loss Statement (Final)**  
**As of September 30, 2021**

	<u>Current FY</u>	<u>Current FY</u>	<u>Prior FY</u>	<u>Total</u>
	<u>Month</u>	<u>YTD</u>	<u>Total</u>	<u>Cumulative</u>
<b>Receipts</b>				
3600.CV · CARES ACT ADMINISTRATIVE FEE	(3,459.84)	45,400.73	26,847.64	72,248.37
<b>TOTAL RECEIPTS</b>	<b>(3,459.84)</b>	<b>45,400.73</b>	<b>26,847.64</b>	<b>72,248.37</b>
<b>Expenses</b>				
4110.CV · ADMINISTRATIVE WAGES-CARES ACT	(85.10)	10,479.64	9,139.54	19,619.18
4170.CV · FEE ACCOUNTANT-CARES ACT	0.00	0.00	575.00	575.00
4190.CV · SUNDRY (OTHER ADMIN)-CARES ACT	0.00	0.00	2.95	2.95
4191.CV · OFFICE EXPENSES-CARES ACT	(192.11)	886.06	1,655.86	2,541.92
4199.CV · ADMIN SERV CONTRACT-CARES ACT	(5,622.00)	9,964.00	3,010.46	12,974.46
4430.CV · MAINT CONTRACT COSTS-CARES ACT	0.00	0.00	73.50	73.50
4540.CV · EMPLOYEE BENEFITS-CARES ACT	39.37	871.03	605.83	1,476.86
4590.CV · OTHER GENERAL EXPENSE-CARES ACT	2,400.00	23,200.00	3,603.00	26,803.00
7520.CV · EQUIPMENT REPLACEMENT-CARES ACT	0.00	0.00	8,181.50	8,181.50
<b>TOTAL EXPENSES</b>	<b>(3,459.84)</b>	<b>45,400.73</b>	<b>26,847.64</b>	<b>72,248.37</b>
<b>INCREASE (DECREASE) IN CARES ACT ADMINISTRATIVE FEE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CARES Act Supplemental Administrative Fee</b>				
TOTAL AF BUDGET AUTHORITY ASSIGNED		79,315.00		
TOTAL AF BUDGET AUTHORITY RECEIVED		79,315.00		
NET BALANCE AVAILABLE FROM AF BUDGET AUTHORITY		<u>0.00</u>		
<b>CARES Act Administrative Fee (Unearned Revenue)</b>				
TOTAL AF AMOUNT SPENT FOR CARES ACT DUE FROM HUD		<u>0.00</u>		
TOTAL BALANCE OF CARES ACT ADMIN FEE UNEARNED REVENUE		<u>7,066.63</u>		
<b>CARES Act HAP Supplemental Funding</b>				
TOTAL HAP BUDGET AUTHORITY ASSIGNED		0.00		
TOTAL HAP BUDGET AUTHORITY RECEIVED		<u>0.00</u>		
NET BALANCE AVAILABLE FROM HAP BUDGET AUTHORITY		<u>0.00</u>		
<b>CARES Act HAP Supplemental Funding (Unearned Revenue)</b>				
TOTAL HAP AMOUNT SPENT FOR CARES ACT DUE FROM HUD		<u>0.00</u>		
TOTAL BALANCE OF CARES ACT HAP UNEARNED REVENUE		<u>0.00</u>		

HOUSING AUTHORITY OF THE CITY OF WARSAW  
MILFORD, INDIANA

INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2020

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

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# Audit Solutions, LLC.

Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the City of Warsaw  
Milford, Indiana

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

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Warsaw (Authority), Indiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of September 30, 2020, and the respective changes in financial position, and, where applicable, 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 i-v 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying PHA's Financial Data Schedule 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* (CFR) 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 accompanying 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 my opinion, the accompanying 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*, I have also issued my report dated May 25, 2021, on my consideration of the Authority's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Authority's internal control over financial reporting and compliance.

*Audit Solutions, LLC*

Chesterfield, Missouri

May 25, 2021

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
September 30, 2020

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This section of the Warsaw Housing Authority, Indiana (Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on September 30, 2020. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

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

**FINANCIAL HIGHLIGHTS**

- The term "net position" refers to the difference between assets and liabilities. The Authority's total net position as of September 30, 2020 was \$173,803. The net position decreased by \$55,810, a decrease of 24.3% from the prior year.
- Revenues for the Authority were \$2,034,465 for the year ended September 30, 2020. This was a decrease of \$941,569 or 31.6% from the prior year.
- Expenses for the Authority were \$2,090,275 for the year ended September 30, 2020. This was a decrease of \$839,938 or 28.7% from the prior year.
- Governmental grants and subsidy for the Authority was \$1,979,404 for the year ended September 30, 2020, a decrease of \$921,083 or 31.8% from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Required Financial Statements**

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

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)  
September 30, 2020

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

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

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

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

*Supplemental Information*

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Data*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2020 and is required to be included in the audit reporting package.

**FINANCIAL ANALYSIS**

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Data*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2020 and is required to be included in the audit reporting package.

- Current assets include cash, investments, receivables, and prepaid expenses. Current assets decreased \$21,870 due to a \$10,386 decrease in cash and investments and a \$12,442 decrease in receivables. This was partially offset by a \$958 increase in prepaid expenses.
- Capital assets increased \$5,885 because current year capital asset additions exceeded current year depreciation expense. Change in capital assets is explained in section titled "Capital Assets" of this analysis.
- Current liabilities increased \$58,031 or 287.5% primarily due to unearned revenue of \$52,467 from CARES Act Funds received, not yet expended as of fiscal year-end. Authority also had a \$6,191 increase in current portion of accrued compensated absences.
- Noncurrent liabilities decreased \$18,206 or 28.2% from FY 2019 due to a decrease in noncurrent portion of accrued compensated absences.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
September 30, 2020

**FINANCIAL ANALYSIS (CONTINUED)**

The unrestricted net position was \$157,519 as of September 30, 2020. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays for almost seven months, excluding housing assistance payments. The restricted net position was \$5,058 as of September 30, 2020. This amount may only be used for Section 8 Voucher housing assistance payments. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

**CONDENSED STATEMENTS OF NET POSITION**

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 287,138	\$ 309,008	\$ (21,870)	-7.1%
Capital assets	<u>11,226</u>	<u>5,341</u>	<u>5,885</u>	110.2%
Total Assets	<u>298,364</u>	<u>314,349</u>	<u>(15,985)</u>	-5.1%
Current liabilities	78,214	20,183	58,031	287.5%
Noncurrent liabilities	<u>46,347</u>	<u>64,553</u>	<u>(18,206)</u>	-28.2%
Total Liabilities	<u>124,561</u>	<u>84,736</u>	<u>39,825</u>	47.0%
Net Position				
Net investment in capital assets	11,226	5,341	5,885	110.2%
Restricted	5,058	60,216	(55,158)	-91.6%
Unrestricted	<u>157,519</u>	<u>164,056</u>	<u>(6,537)</u>	-4.0%
Total Net Position	<u>\$ 173,803</u>	<u>\$ 229,613</u>	<u>\$ (55,810)</u>	-24.3%

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.

As can be seen in the table on the following page, total revenues decreased \$941,569 due to the reasons noted below.

- Governmental grants and subsidy decreased \$921,083 due to a \$1,083,392 decrease in other government grant revenue. This was partially offset by a \$121,326 increase in HUD housing assistance for the housing choice voucher program. The Authority also had a \$14,135 increase in HUD administrative fees and revenue from CARES Act of \$26,848 in FY 2020.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
September 30, 2020

**FINANCIAL ANALYSIS (CONTINUED)**

**CONDENSED STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

	FY 2020	FY 2019	Dollar Change	Percent Change
<b>Revenues</b>				
Operating - non-operating - capital contributions:				
Governmental grants and subsidy	1,979,404	2,900,487	(921,083)	-31.8%
Miscellaneous revenue	54,794	75,194	(20,400)	-27.1%
Investment income	267	353	(86)	-24.4%
Total Revenues	2,034,465	2,976,034	(941,569)	-31.6%
<b>Expenses</b>				
Administration	240,375	305,870	(65,495)	-21.4%
Utilities	1,641	2,709	(1,068)	-39.4%
Ordinary maintenance & operation	1,834	2,479	(645)	-26.0%
Insurance	7,955	6,509	1,446	22.2%
General expense	20,719	16,517	4,202	25.4%
Housing assistance payments	1,815,455	2,593,992	(778,537)	-30.0%
Depreciation expense	2,296	2,137	159	7.4%
Total Expenses	2,090,275	2,930,213	(839,938)	-28.7%
Changes in net position	(55,810)	45,821	(101,631)	
Net position, beginning of year	229,613	183,792	45,821	
Net position, end of year	\$ 173,803	\$ 229,613	\$ (55,810)	

➤ Miscellaneous revenue decreased \$20,400 or 27.1% from FY 2019 mainly due to a \$19,160 decrease in revenue from fraud recovery.

➤ Investment income decreased \$86 from FY 2019.

Total expenses decreased \$839,938 due to the reasons noted below.

➤ Administration decreased \$65,495 or 21.4% from FY 2019 primarily due to a decrease in administrative wages and benefits of \$45,903 or 22.0%. The Authority also had a decrease in other administrative expenses of \$11,418 or 31.0% and a decrease in travel expenses of \$8,377 or 60.5%.

➤ Utilities decreased \$1,068 or 39.4% from FY 2019.

➤ Ordinary maintenance and operation decreased \$645 from FY 2019 due to a decrease in contracted maintenance services.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)  
September 30, 2020

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**FINANCIAL ANALYSIS (CONTINUED)**

- Insurance increased \$1,446 from FY 2019.
- General expense increased \$4,202 or 25.4% due to a \$3,603 increase in other general expenses and a \$599 increase in expense for compensated absences.
- Housing assistance payments decreased \$778,537 or 30.0% due to a 38.9% decrease in number of vouchers issued and outstanding during the current fiscal year.
- The Authority had a \$159 or 7.4% increase in depreciation, which is the write-off of capital assets over their estimated useful life.

The Authority is authorized to assist 512 households with the Housing Choice Voucher Rental Assistance Program. The Section 8 lease up rate for fiscal year ending September 30, 2020 was 69.7%, up from 68.9% in FY 2019.

**CAPITAL ASSETS**

The Warsaw Housing Authority, Indiana's investment in capital assets net of related debt, as of September 30, 2020 amounts to \$11,226 (net of accumulated depreciation). The investment in capital assets includes equipment.

*Capital Assets* – The total increase in the Authority's capital assets for the current fiscal year was 110.2% in terms of net book value. Depreciation charges for the year totaled \$2,296. Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Disposals	Ending
Capital assets	\$5,341	\$8,181	\$(2,296)	\$(0)	\$11,226

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

The Authority is eligible to receive continuing budget authority during FY 2021 for assisting participants in the Housing Choice Voucher program. In addition to continuing budget authority the Authority has \$5,058 in HAP Reserves to be used for housing assistance payments. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2021 and adjusted for pro-ration which is currently at 80.000%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Pamela Kennedy, Executive Director, Warsaw Housing Authority, P.O. Box 387, Milford, Indiana 46542.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

STATEMENT OF NET POSITION  
September 30, 2020

**ASSETS**

Current Assets:

Cash and cash equivalents	\$	216,209
Cash - restricted		57,525
Investments		3,230
Receivables - net of allowances		6,210
Prepaid expenses		<u>3,964</u>
Total Current Assets		<u>287,138</u>

Non-current Assets:

Capital assets:

Other capital assets, net of depreciation		<u>11,226</u>
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Total capital assets - net		<u>11,226</u>
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Total Non-current Assets		<u>11,226</u>
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Total Assets and Deferred Outflow of Resources	\$	<u><u>298,364</u></u>
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See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

STATEMENT OF NET POSITION – (Continued)  
For the Year Ended September 30, 2020

**LIABILITIES**

Current Liabilities:

Accounts payable	\$	2,372
Accrued salaries and benefits		7,253
Accrued compensated absences		8,600
Unearned revenues		59,989
Total Current Liabilities		<u>78,214</u>

Non-current Liabilities:

Non-current liabilities - Other		<u>46,347</u>
Total Non-current Liabilities		<u>46,347</u>
Total Liabilities		<u>124,561</u>

**NET POSITION**

Net investment in capital assets		11,226
Restricted		5,058
Unrestricted		<u>157,519</u>
Total Net Position		<u>173,803</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$	<u><u>298,364</u></u>

See accompanying notes to the basic financial statements



HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Year Ended September 30, 2020

**OPERATING REVENUES**

Governmental grants and subsidy	\$	1,979,404
Miscellaneous		<u>54,794</u>
Total operating revenue		<u>2,034,198</u>

**OPERATING EXPENSES**

Administrative		240,375
Utilities		1,641
Ordinary maintenance and operations		1,834
Insurance		7,955
General		20,719
Housing assistance payment		1,815,455
Depreciation expense		<u>2,296</u>
Total operating expenses		<u>2,090,275</u>
Operating income (loss)		<u>(56,077)</u>

**NON-OPERATING REVENUES (EXPENSES)**

Investment income		<u>267</u>
Net non-operating revenues (expenses)		<u>267</u>
Income (loss) before contributions and transfers		<u>(55,810)</u>
Change in net position		(55,810)
Total net position - beginning of year		<u>229,613</u>
Total net position - end of year	\$	<u><u>173,803</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**STATEMENT OF CASH FLOWS**  
For the Year Ended September 30, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES**

Received from governmental grants and subsidy	\$	2,044,284
Received from other operating activities		54,814
Payments for goods and services		(95,072)
Payments to employees		(172,868)
Payment for housing assistance		(1,815,455)

Net cash provided by (used in) operating activities 15,703

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchases of capital assets		(8,181)
Receipts (payments) from deferred credits and escrow deposits		(18,206)

Net cash provided by (used in) capital and related financing activities (26,387)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds (payments) from sale (purchase) of investments		(87)
Receipts of interest and dividends		298

Net cash provided by (used in) investing activities 211

Net increase (decrease) in cash and cash equivalents (10,473)  
Cash and cash equivalents at beginning of year 284,207

Cash and cash equivalents at end of year \$ 273,734

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**STATEMENT OF CASH FLOWS**  
For the Year Ended September 30, 2020

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

Operating income (loss)	\$	(56,077)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		2,296
Change in assets and liabilities:		
Receivables, net		12,411
Prepaid expenses		(958)
Accounts and other payables		(1,367)
Unearned revenues		52,489
Compensated absences		6,191
Accrued expenses		718
		<hr/>
Net cash provided by (used) by operating activities	\$	<u>15,703</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS  
September 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Housing Authority of the City of Warsaw (Authority) is a public body and a body corporate and politic organized under the laws of the State of Indiana that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority administers the Section 8 Housing Choice Vouchers program which provides housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD). The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**1A. Financial Reporting Entity**

The Authority's financial reporting entity comprises the following:

Primary Government:                      Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and No. 61, "The Financial Reporting Entity," and includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, there are no component units which are required to be included in the Authority's financial statements.

**1B. Basis of Presentation**

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

**Proprietary Fund Types** - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

**Enterprise Fund** - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**1B. Basis of Presentation – (Continued)**

The Authority operates the following program in the enterprise fund:

**Section 8 Housing Choice Vouchers** - The objective of the program is to help low-income families obtain decent, safe, and sanitary housing through a system of rental assistance. HUD reimburses the Authority for the rental supplements paid to private landlords and the administrative costs of managing the program.

**Business Activities** - The Authority is a subcontractor with the Indiana Housing & Community Development Authority (IHCDA) to administer portions of the HCV Program for them in Fulton, Marshall and Kosciusko Counties. The IHCDA reimburses the Authority for the rental supplements paid to private landlords and the agency earns an administrative fee for the costs of managing the program. The program was discontinued in Oct 2019.

**HCV CARES Act** - The CARES Act provides funding to prevent, prepare for, and respond to COVID-19, and to maintain normal operations and take other necessary actions during the period the program is impacted by the pandemic.

**1C. Measurement Focus and Basis of Accounting**

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

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

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

**1D. Budgets**

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for the operating program which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

**1E. Estimates and assumptions**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)

September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

1F. Assets, Liabilities, and Equity

Cash and Investments

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

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur within individual funds that may result in amounts owed between funds. Inter-fund receivables and payables between funds are eliminated for financial statement presentation.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of miscellaneous and fraud recovery.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$500 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15 years
Furniture, equipment and machinery - administrative	3-7 years

Compensated Absences

The Authority’s policies regarding vacation time does not permit employees to carry forward unused vacation leave at December 31st. As such, all liability is considered short term at year-end September 30th.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**1F. Assets, Liabilities, and Equity – (Continued)**

Equity Classifications

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

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position - Consists of net position with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (ii) law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted are available, the Authority’s policy is to apply restricted assets to fund restricted costs and then unrestricted as they are needed.

**1G. Revenues, Expenditures, and Expenses**

Operating Revenues and Expenses

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

**2A. Program Accounting Requirements**

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

<u>Program</u>	<u>Required By</u>
Section 8 Housing Choice Vouchers	U.S. Department of Housing and Urban Development
Business Activities	Housing Authority
HCV CARES Act	U.S. Department of Housing and Urban Development

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2020

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (Continued)**

**2B. Deposits and Investments Laws and Regulations**

It is the Authority's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

**2C. Revenue Restrictions**

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Housing Assistance Payment Grant	For HAP purposes only
HCV CARES Act	COVID related expenses

For the year ended September 30, 2020, the Authority complied, in all material respects, with these revenue restrictions.

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

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

**3A. Cash and Investments**

As of September 30, 2020, the Authority had the following cash deposits:

Cash deposits	\$ 273,734
Certificate of deposit	<u>3,230</u>
Total	<u>\$ 276,964</u>

Following is a reconciliation of the Authority's deposit balances as of September 30, 2020:

Cash and cash equivalents	\$ 216,209
Restricted assets	57,525
Investments	<u>3,230</u>
Total	<u>\$ 276,964</u>



HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2020

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)**

**3A. Cash and Investments – (Continued)**

**Deposits**

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At September 30, 2020, the Authority's bank balances of \$274,574 were entirely covered by FDIC insurance or by the Public Deposit Insurance Fund (PDIF) which was created in 1937 to protect the public funds of the state and its political subdivisions deposited in approved financial institutions in the state of Indiana. The PDIF insures those public funds deposited in approved financial institutions which exceed the limits of coverage provided by federal deposit insurance. The fund is administered by the Indiana Board for Depositories.

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At September 30, 2020, the Authority's investment balance of \$3,230 was entirely covered by FDIC or PDIF insurance.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. As the Authority's investments consist entirely of certificate of deposits, credit risk is not applicable to the Housing Authority.

Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer. At September 30, 2020, the concentration of the Authority's investment (excluding cash deposits) was as follows:

<u>Type of Investment</u>	<u>Market Value</u>	<u>Maturity Date</u>
Certificate of Deposit	\$ <u>3,230</u>	2/8/2021

**3B. Accounts Receivable**

Receivables at September 30, 2020 consist of the following:

Tenants – Fraud recovery	\$ 29,971
Less: Allowance for doubtful account	<u>(25,368)</u>
Tenants – Fraud recovery – net of allowance	4,603
Miscellaneous	<u>1,607</u>
Total receivable – net of allowances	<u>\$ 6,210</u>

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2020

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS – (Continued)**

**3C. Capital Assets**

A summary of capital asset activity for the year ended September 30, 2020 is as follows:

	Balance October 1, 2019	Additions	(Retirement)	Reclassification/ Transfers in (out)	Balance September 30, 2020
<b>Depreciable assets:</b>					
Building	\$ 5,665	\$ -	\$ -	-	\$ 5,665
Equipment - administration	27,472	8,181	-	-	35,653
<b>Total depreciable assets</b>	<b>33,137</b>	<b>8,181</b>	<b>-</b>	<b>-</b>	<b>41,318</b>
<b>Accumulated depreciation</b>	<b>(27,796)</b>	<b>(2,296)</b>	<b>-</b>	<b>-</b>	<b>(30,092)</b>
<b>Total depreciable assets, net</b>	<b>5,341</b>	<b>5,885</b>	<b>-</b>	<b>-</b>	<b>11,226</b>
<b>Capital assets, net</b>	<b>\$ 5,341</b>	<b>\$ 5,885</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,226</b>

Depreciation expense is charged to programs as follows:

Business-type Activities	
Housing Choice Vouchers	\$ 703
Business Activities	1,593
<b>Total depreciation expense</b>	<b>\$ 2,296</b>

**3D. Accounts Payable**

Accounts payable at September 30, 2020 consist of the following:

Vendors	\$ 1,930
Other current liabilities	345
Accrued utilities	97
<b>Total Accounts Payable</b>	<b>\$ 2,372</b>

**3E. Non-current liabilities**

Non-current liabilities at September 30, 2020 consist of the following:

Home of Your Own (HOYO) revolving account	\$ 46,347
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Changes in non-current liabilities

The following is the summary of changes in non-current liabilities:

Description	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
HOYO revolving account	\$ 64,553	\$ ---	\$ 18,206	\$ 46,347

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2020

**NOTE 4 – OTHER NOTES**

**4A. Employee Pension Plan**

The Authority does not provide pension benefits to its employees. As such, no pension contributions were made in FY 2020.

**4B. Financial Data Schedule**

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation expense and Housing Assistance Payment (HAP) and includes investment income in operating activities, which differs from the presentation of basic financial statements.

**4C. Risk Management**

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with Indiana Farmers Mutual Insurance Co.
b. Injuries to employees (workers' compensation)	Purchased insurance with Selective Insurance Co. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$500 deductibles.

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

**4D. Contingencies**

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

**4E. Subsequent Events**

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2020

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**NOTE 4 – OTHER NOTES – (Continued)**

**4E. Subsequent Events – (Continued)**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Management evaluated the activity of the Authority through May 25, 2021 and concluded that no additional subsequent events have occurred that would require adjustment to or disclosures within these financial statements except for the one noted above.

**4F. Economic Dependency**

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2021 federal budget.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended September 30, 2020

Federal Grantor	Federal CFDA #	Total Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>		
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	\$ 1,856,366
Section 8 Housing Choice Vouchers - Cares Act	14.871	26,848
Section 8 Housing Choice Vouchers - IHEDA	14.871	<u>96,190</u>
<b>Total Expenditures of Federal Awards</b>		<b>\$ <u>1,979,404</u></b>

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Housing Authority of the City of Warsaw (Authority) under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**FINANCIAL DATA SCHEDULE**  
Year Ended September 30, 2020

	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
111 Cash - Unrestricted	\$193,963	\$22,246		\$216,209	\$216,209
113 Cash - Other Restricted		\$5,058	\$52,467	\$57,525	\$57,525
100 Total Cash	\$193,963	\$27,304	\$52,467	\$273,734	\$273,734
125 Accounts Receivable - Miscellaneous	\$1,607			\$1,607	\$1,607
128 Fraud Recovery		\$29,971		\$29,971	\$29,971
128.1 Allowance for Doubtful Accounts - Fraud		-\$25,368		-\$25,368	-\$25,368
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,607	\$4,603	\$0	\$6,210	\$6,210
131 Investments - Unrestricted	\$3,230			\$3,230	\$3,230
142 Prepaid Expenses and Other Assets	\$634	\$3,330		\$3,964	\$3,964
150 Total Current Assets	\$199,434	\$35,237	\$52,467	\$287,138	\$287,138
162 Buildings	\$5,665			\$5,665	\$5,665
164 Furniture, Equipment & Machinery - Administration	\$11,380	\$24,273		\$35,653	\$35,653
166 Accumulated Depreciation	-\$14,079	-\$16,013		-\$30,092	-\$30,092
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,966	\$8,260	\$0	\$11,226	\$11,226
180 Total Non-Current Assets	\$2,966	\$8,260	\$0	\$11,226	\$11,226
290 Total Assets and Deferred Outflow of Resources	\$202,400	\$43,497	\$52,467	\$298,364	\$298,364
312 Accounts Payable <= 90 Days	\$1,930	\$0		\$1,930	\$1,930
321 Accrued Wage/Payroll Taxes Payable	\$2,280	\$4,973		\$7,253	\$7,253
322 Accrued Compensated Absences - Current Portion	\$607	\$7,993		\$8,600	\$8,600
342 Unearned Revenue	\$7,500	\$22	\$52,467	\$59,989	\$59,989
345 Other Current Liabilities		\$345		\$345	\$345
346 Accrued Liabilities - Other	\$97			\$97	\$97
310 Total Current Liabilities	\$12,414	\$13,333	\$52,467	\$78,214	\$78,214
353 Non-current Liabilities - Other	\$46,347			\$46,347	\$46,347
350 Total Non-Current Liabilities	\$46,347	\$0	\$0	\$46,347	\$46,347
300 Total Liabilities	\$58,761	\$13,333	\$52,467	\$124,561	\$124,561
508.4 Net Investment in Capital Assets	\$2,966	\$8,260		\$11,226	\$11,226
511.4 Restricted Net Position		\$5,058		\$5,058	\$5,058
512.4 Unrestricted Net Position	\$140,673	\$16,846	\$0	\$157,519	\$157,519
513 Total Equity - Net Assets / Position	\$143,639	\$30,164	\$0	\$173,803	\$173,803
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$202,400	\$43,497	\$52,467	\$298,364	\$298,364

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**FINANCIAL DATA SCHEDULE – (Continued)**  
Year Ended September 30, 2020

	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
70600 HUD PHA Operating Grants		\$1,856,366	\$26,848	\$1,883,214	\$1,883,214
70800 Other Government Grants	\$96,190			\$96,190	\$96,190
71100 Investment Income - Unrestricted	\$192	\$75		\$267	\$267
71400 Fraud Recovery		\$24,784		\$24,784	\$24,784
71500 Other Revenue	\$30,000	\$10		\$30,010	\$30,010
70000 Total Revenue	\$126,382	\$1,881,235	\$26,848	\$2,034,465	\$2,034,465
91100 Administrative Salaries	\$7,999	\$133,471	\$9,140	\$150,610	\$150,610
91200 Auditing Fees	\$2,379	\$5,551		\$7,930	\$7,930
91500 Employee Benefit contributions - Administrative	\$642	\$10,828	\$606	\$12,076	\$12,076
91600 Office Expenses	\$8,187	\$26,031	\$4,666	\$38,884	\$38,884
91800 Travel	\$557	\$4,912		\$5,469	\$5,469
91900 Other	\$5,290	\$19,538	\$578	\$25,406	\$25,406
91000 Total Operating - Administrative	\$25,054	\$200,331	\$14,990	\$240,375	\$240,375
93800 Other Utilities Expense	\$1,641			\$1,641	\$1,641
93000 Total Utilities	\$1,641	\$0	\$0	\$1,641	\$1,641
94300 Ordinary Maint. and Operations Contracts	\$590	\$1,170	\$74	\$1,834	\$1,834
94000 Total Maintenance	\$590	\$1,170	\$74	\$1,834	\$1,834
96110 Property Insurance	\$184	\$0		\$184	\$184
96120 Liability Insurance	\$2,160	\$4,556		\$6,716	\$6,716
96130 Workmen's Compensation	\$135	\$315		\$450	\$450
96140 All Other Insurance	\$290	\$315		\$605	\$605
96100 Total insurance Premiums	\$2,769	\$5,186	\$0	\$7,955	\$7,955
96200 Other General Expenses			\$3,603	\$3,603	\$3,603
96210 Compensated Absences	\$1,207	\$15,909		\$17,116	\$17,116
96000 Total Other General Expenses	\$1,207	\$15,909	\$3,603	\$20,719	\$20,719
96900 Total Operating Expenses	\$31,261	\$222,596	\$18,667	\$272,524	\$272,524
97000 Excess of Operating Revenue over Operating Expenses	\$95,121	\$1,658,639	\$8,181	\$1,761,941	\$1,761,941

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**FINANCIAL DATA SCHEDULE – (Continued)**  
Year Ended September 30, 2020

	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	Total
97300 Housing Assistance Payments	\$85,640	\$1,729,815		\$1,815,455	\$1,815,455
97400 Depreciation Expense	\$1,593	\$703		\$2,296	\$2,296
90000 Total Expenses	\$118,494	\$1,953,114	\$18,667	\$2,090,275	\$2,090,275
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$7,888	-\$71,879	\$8,181	-\$55,810	-\$55,810
11030 Beginning Equity	\$135,751	\$93,862	\$0.	\$229,613	\$229,613
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$8,181	-\$8,181	\$0	\$0
11170 Administrative Fee Equity		\$25,106		\$25,106	\$25,106
11180 Housing Assistance Payments Equity		\$5,058		\$5,058	\$5,058
11190 Unit Months Available	408	5991		6399	6399
11210 Number of Unit Months Leased	262	4173		4435	4435





# Audit Solutions, LLC.

Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Housing Authority of the City of Warsaw  
Milford, Indiana

I 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 Housing Authority of the City of Warsaw (Authority), Indiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon dated May 25, 2021.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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.

*Audit Solutions, LLC*

Chesterfield, Missouri

May 25, 2021



# **Audit Solutions, LLC.**

Certified Public Accountant

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners  
Housing Authority of the City of Warsaw  
Milford, Indiana

### **Report on Compliance for Each Major Federal Program**

I have audited the Housing Authority of the City of Warsaw (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 Authority's major federal programs for the year ended September 30, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In my opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.

*Audit Solutions, LLC*

Chesterfield, Missouri

May 25, 2021



# Audit Solutions, LLC.

Certified Public Accountant

## INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Housing Authority of the City of Warsaw  
Milford, Indiana

I have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Warsaw and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Guidance reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. 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 the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, I 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.

I 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 results of the performance of my agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

I was engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of the Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), by the Authority as of and for the year ended September 30, 2020 and have issued my report thereon dated May 25, 2021. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, my opinion on the fair presentation of the Financial Data Schedule (FDS) dated May 25, 2021, was expressed in relation to the basic financial statements of the Authority taken as a whole.

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

This report is intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

*Audit Solutions, LLC*

Chesterfield, Missouri  
May 25, 2021

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**AGREED UPON PROCEDURES**  
September 30, 2020

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion to FDS (data element G5100-010)	Auditor's supplemental report on FDS	√
4	Audit findings narratives (data element G5200-010)	Schedule of Findings and Questioned costs	√
5	General Information (data element series G2000, G2100, G2200, G2300, G90000, G9100)	OMB Data Collection Form	√
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
8	Type of compliance requirement (G4000-020 & G4000-030)	OMB Data Collection Form	√
9	Basic financial statements and auditors' reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF WARSAW  
Milford, Indiana

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
September 30, 2020

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
<u>Internal control over financial reporting:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

<u>Internal control over major programs:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
<u>Identification of Major programs:</u>	
➤ CFDA #14-871      Section 8 Housing Choice Vouchers	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Section II - Financial Statement Findings**

The current audit report for the year ended September 30, 2020 disclosed no Financial Statement audit findings.

**Section III - Federal Award Findings and Questioned Costs**

The current audit report for the year ended September 30, 2020 disclosed no Federal Awards audit findings and questioned costs.

**WHA BUDGET**

Oct 1, 2021 - Sept 30, 2022

**HOUSING ASSISTANCE PAYMENTS****\$2,200,000.00****INCOME****ADMINISTRATION**

<b>Housing Assistance Payments</b>	<b>2,200,000.00</b>	
WHA Admin		225,000.00
Interest on General Fund		150.00
WHA Violation Paybacks		15,000.00
<b>City of Warsaw BA Funding</b>		<b>35,000.00</b>
<b>City of Goshen BA Funding</b>		<b>20,000.00</b>
Reserves		20,000.00
<b>Funding for Admin Expenses</b>		<b>315,150.00</b>

**EXPENSES**

13% Admin

Salaries		178,390.00
Payroll Taxes		12,194.00
Office Rent		9,000.00
Telephone		3,648.00
Utilities		6,000.00
Copier Maintenance		3,100.00
Internet/Server Support		2,100.00
Computer Support		8,800.00
Office & Class Supplies		3,000.00
Postage		4,200.00
Resident Advisory Council		250.00
Subscriptions		300.00
Criminal Searches		576.00
Contracted Help (Maintenance)		4,500.00
Lead Expenses (Testing)		600.00
HQS Inspectors		16,000.00
Interpreter		1,000.00
Legal Notices		500.00
Staff Training/ Travel		1,000.00
Mileage		6,400.00
Fee Accountant		12,000.00
Auditing Fees		9,480.00
Insurance		8,600.00
Sundries		1,000.00
Recording Fees fo HOYO		250.00
Equipment		0.00
Port Off Fees		1,000.00
Rental Ed Deposit Assistance		14,400.00
<b>TOTAL</b>		<b>308,288.00</b>
<b>Profit/Loss</b>		<b>6,862.00</b>

(Left 6,000 + for contracts that increase in 2022)



**WHA BOARD OF COMMISSIONERS  
2021**

<b>CONTACT</b>	<b>INFORMATION</b>
<p><b>Kurt Carlson</b> Bowen Center 2621 East Jefferson Street Warsaw IN 46580 260-437-4916 – cell 574-267-7878 Ext 2900 – office <a href="mailto:kurt.carlson@bowencenter.org">kurt.carlson@bowencenter.org</a></p>	<p><b>Chris Fancil</b> Warsaw-Wayne Fire Territory WWFT Station 2 2204 E Center Street Warsaw IN 46580 260-402-0588 – cell <a href="mailto:cfancil@warsaw.in.gov">cfancil@warsaw.in.gov</a></p>
<p><b>Lee Ann Brown</b> Bowen Center 627 S Lake Street Warsaw IN 46580 574-265-8631 <a href="mailto:tikaralee@gmail.com">tikaralee@gmail.com</a></p>	<p><b>Larry Gautsche</b> Retired LaCasa, Executive Director 601 South 7<sup>th</sup> Street Goshen IN 46526 574-370-9631 – cell <a href="mailto:lgautsche7@gmail.com">lgautsche7@gmail.com</a> <b>Goshen Representative</b></p>
<p><b>Matt Scott</b> Lakeland Technology 2656 E Pine Drive Warsaw IN 46582 574-551-6254 – cell <a href="mailto:mScott@lakelandtech.com">mScott@lakelandtech.com</a></p>	<p><b>Jeremy Dewell</b> Zimmer-Biomet 414 Briar Ridge Circle Warsaw IN 46582 765-427-4988 <a href="mailto:dewelljr@gmail.com">dewelljr@gmail.com</a></p>
<p><b>Ann Sweet</b> Kosciusko YMCA Warsaw IN 46582 (574)265-8225 <a href="mailto:annsweet12@centrurylink.net">annsweet12@centrurylink.net</a></p>	<p><b>Jenny Bynum- Zimmerman</b> 600 N Colfax Street Apt 127 Warsaw IN 46580 574-253-8371 <a href="mailto:bynumjenny@gmail.com">bynumjenny@gmail.com</a> <b>Program Representative</b></p>
<p><b>Josh Finch</b> Warsaw City Council 900 S Country Club Rd Warsaw IN 46580 574-334-9627 <a href="mailto:jfinch@warsaw.in.gov">jfinch@warsaw.in.gov</a> <b>Council Representative</b></p>	<p style="text-align: center;"><i>“You can study government and politics in school, but the best way to really understand the process is to volunteer your time” -Rob McKenna</i></p>



**Engineering Department  
CITY OF GOSHEN**

204 East Jefferson Street, Suite 1 • Goshen, IN 46528-3405

Phone (574) 534-2201 • Fax (574) 533-8626 • TDD (574) 534-3185  
engineering@goshencity.com • www.goshenindiana.org

## MEMORANDUM

TO: Goshen Board of Public Works & Safety

FROM: Goshen Engineering

RE: **ADDITIONAL DRIVE REQUEST  
1301 BAKER AVENUE**

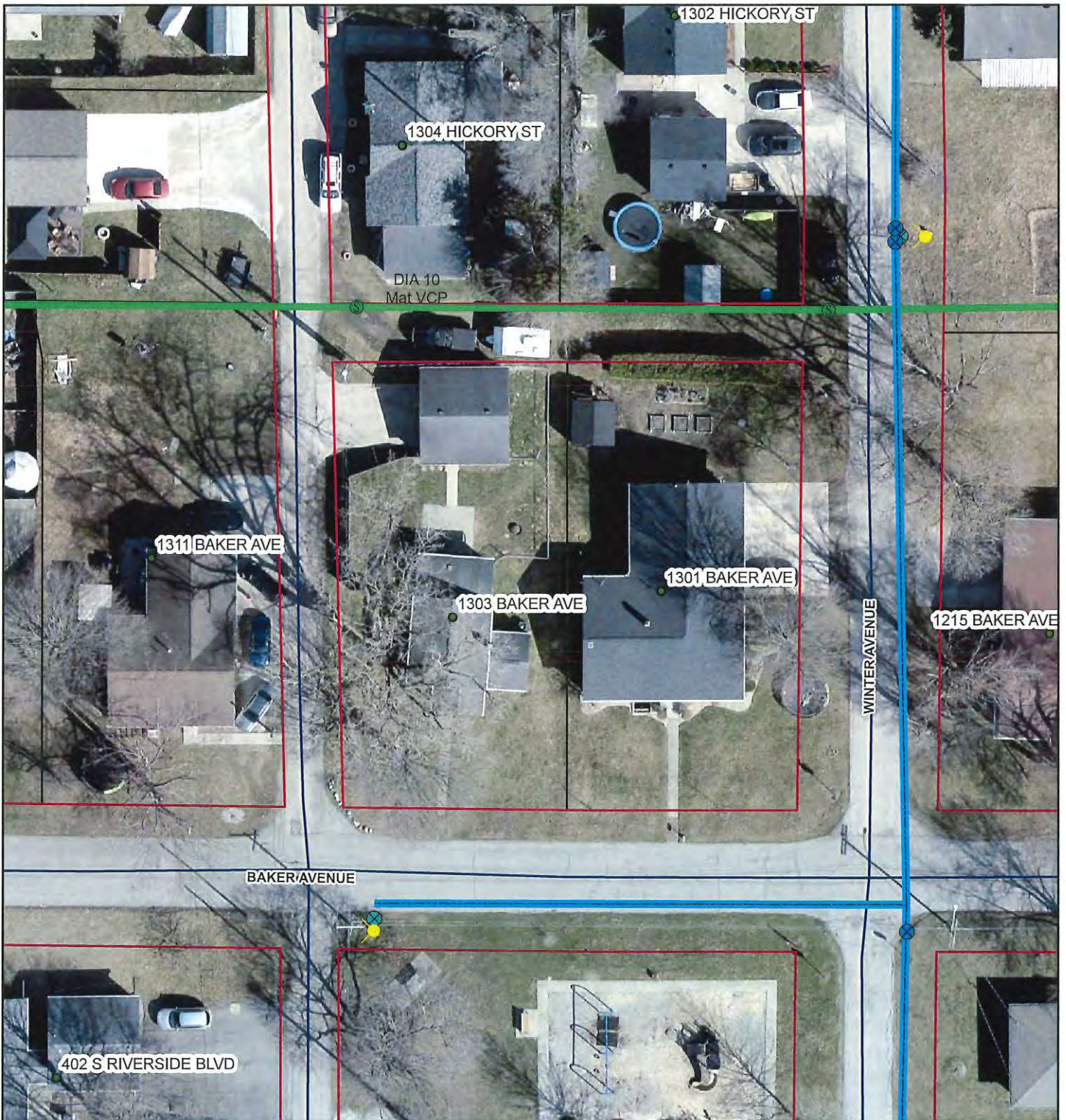
DATE: February 18<sup>th</sup>, 2022

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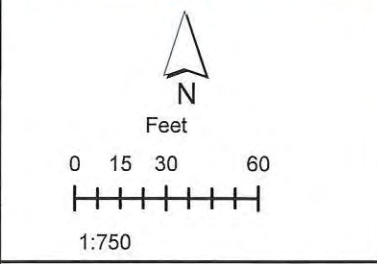
Engineering staff has recently received a request to permit an additional drive access at 1301 Baker Avenue. The requested location for the access is at the northeast corner of the property on Winter Avenue. Staff has the following comments on the request:

1. Additional drives on residential lots of this size are not permitted per city policy.
2. Staff notes that the location of the second drive is on the same street as the original access. The original access measures approximately 33' in width, which is greater than the maximum 24' width permitted by city policy for new drives.
3. The proposed drive layout will not provide for 2 parking spaces per dwelling as required by the zoning ordinance.

As a result of the request conflicting with the policies and ordinances noted above, staff cannot permit the new access without review and approval of the Board of Works.



The City of Goshen's Digital Data is the property of the City of Goshen and Elkhart County, Indiana. All graphic data supplied by the city and county has been derived from public records that are constantly undergoing change and is not warranted for content or accuracy. The city and county do not guarantee the positional or thematic accuracy of the data. The cartographic digital files are not a legal representation of any of the features depicted, and the city and county disclaim any assumption of the legal status they represent. Any implied warranties, including warranties of merchantability or fitness for a particular purpose, shall be expressly excluded. The data represents an actual reproduction of data contained in the city's or county's computer files. This data may be incomplete or inaccurate, and is subject to modifications and changes. City of Goshen and Elkhart County cannot be held liable for errors or omissions in the data. The recipient's use and reliance upon such data is at the recipient's risk. By using this data, the recipient agrees to protect, hold harmless and indemnify the City of Goshen and Elkhart County and its employees and officers. This indemnity covers reasonable attorney fees and all court costs associated with the defense of the city and county arising out of this disclaimer.



**Drive Request - 1301 Baker Ave.  
(Information Only)**

Date: 2/18/2022  
 Drawn by: JSC

**The City of Goshen**  
 Department of Public Works & Safety  
 Office of Engineering  
 204 East Jefferson Street, Goshen, Indiana 46528  
 Phone: 574-534-2201 Fax: 574-533-8626

(Alton) Brian & Heidi McKee  
1301 Baker Avenue  
Goshen, IN. 46526  
Brian: (574) 536-5363  
Heidi: (574) 536-1839

February 7, 2022

City of Goshen Board of Public Works & Safety  
111 East Jefferson Street  
Goshen, IN.

We, (Alton) Brian & Heidi McKee, would like to add on an Efficiency Apartment to our home located at the address listed above. We are needing the Apartment to help care for Heidi's Father, Lester Chupp. This Efficiency Apartment would be a rental or an Airbnb after Lester would pass away.

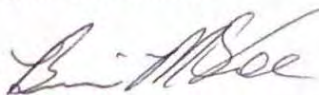
We are submitting this letter per recommendation by Rossa Deegan, Assistant Planning and Zoning Director, and Josh Corwin, Engineering before applying for a Developmental Variance.

We have enclosed a proposed plot plan with this letter for the requested improvements.

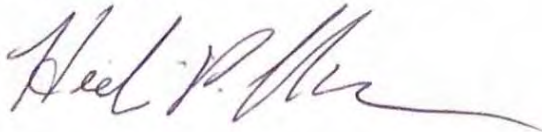
We are requesting that the City of Goshen Public Board of Works grant us a 2<sup>nd</sup> concrete driveway off of Winter Avenue in the City Right of Way provided we are granted the Developmental Variance. The concrete driveway would be 10' wide with two 2' wide flares for a total of 14' wide in the Right of Way. No open parking would be in the Right of Way.

Sincerely,

(Alton) Brian McKee



Heidi McKee

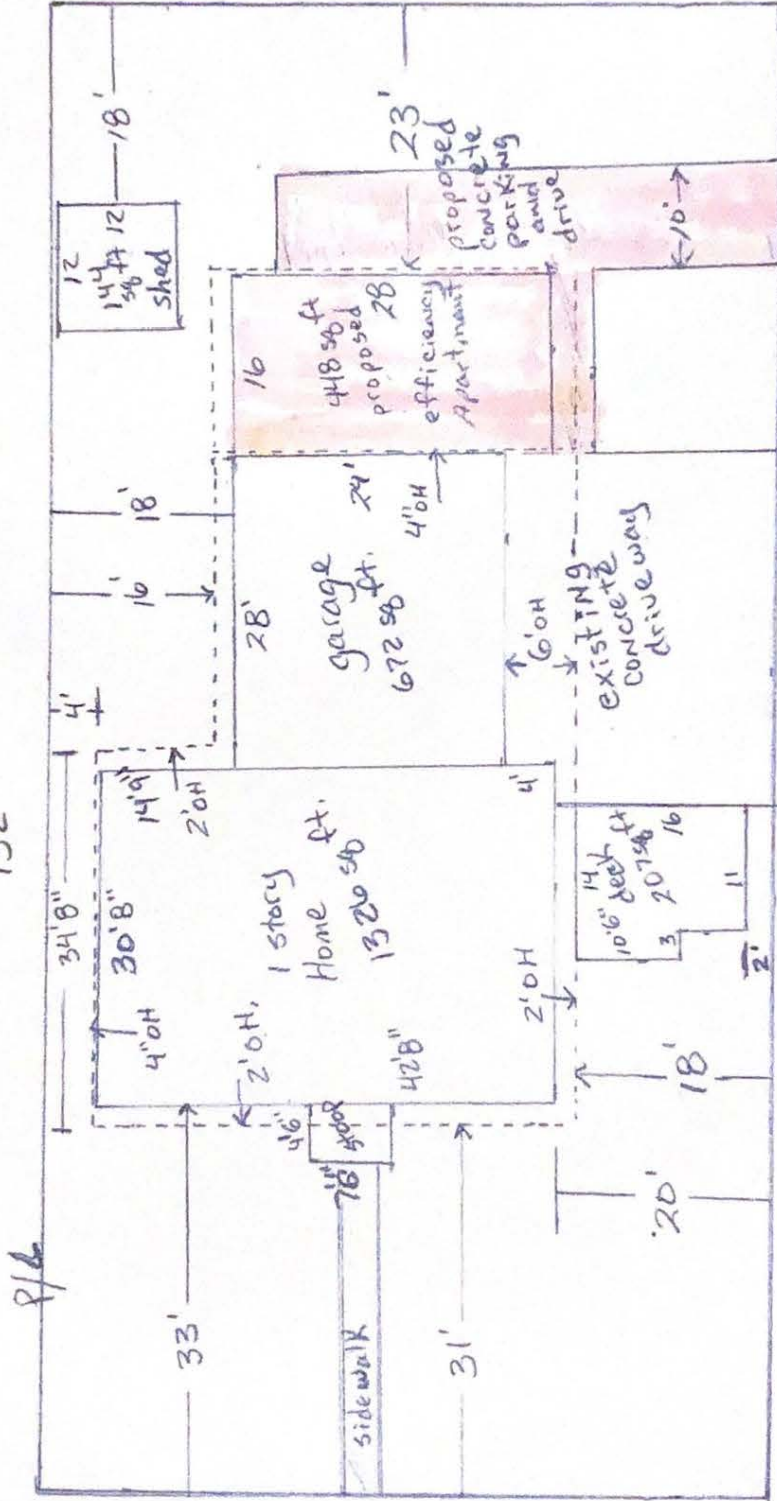


Brian + Heidi McKee  
 1301 Baker Ave  
 Goshen, IN 46526

W + N  
 S + E

1" = 15'

132'



Baker Ave

Wintres Ave.

CL 20'

CL 20'



**Engineering Department  
CITY OF GOSHEN**

204 East Jefferson Street, Suite 1 • Goshen, IN 46528-3405

Phone (574) 534-2201 • Fax (574) 533-8626 • TDD (574) 534-3185  
engineering@goshencity.com • www.goshenindiana.org

## MEMORANDUM

TO: Board of Public Works and Safety

FROM: Engineering Department

RE: **REQUEST FOR TEMPORARY ROAD CLOSURE  
(JN: STREETS BY NAME – 1ST)**

DATE: February 15, 2022

---

NIPSCO has requested to close 1<sup>st</sup> St. between Pike St. and Wilkinson St., along with the adjacent sidewalk, to complete boring for a new gas service line. The closure will directly north of Pike St. and south of the post office drive on 1<sup>st</sup>. NIPSCO requests permission for the closure during normal working hours on two weekdays sometime between March 9 and March 25. A map depicting the closure and detour is attached.

**Requested Motion: Approve the closure of 1<sup>st</sup> St. between Pike St. and Wilkinson St. during normal working hours on two weekdays sometime between March 9 and March 25 to complete boring for a new gas service line.**

City of Goshen  
Board of Works & Safety

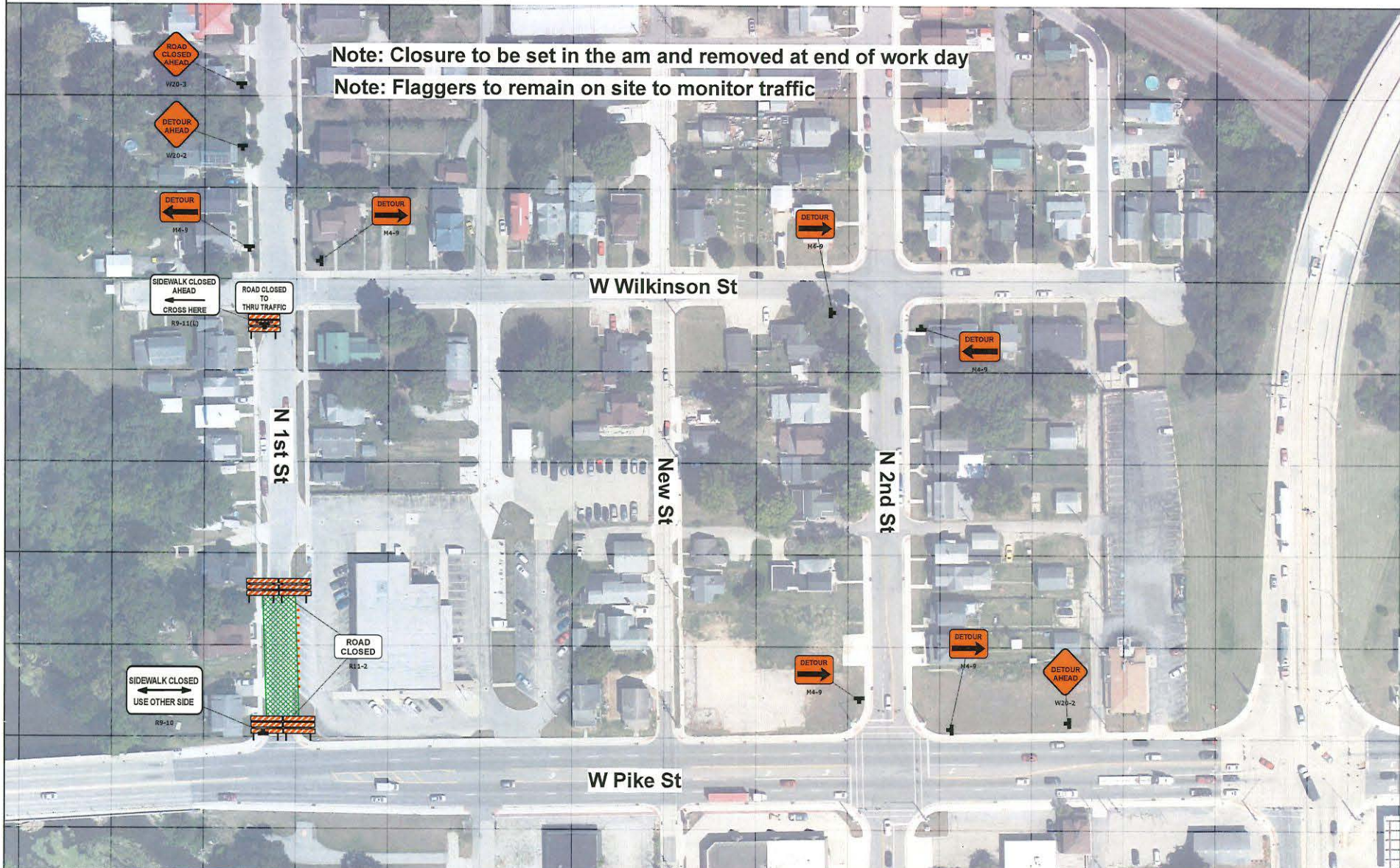
\_\_\_\_\_  
Jeremy Stutsman, Mayor

\_\_\_\_\_  
Mary Nichols, Board Member

\_\_\_\_\_  
Mike Landis, Board Member

\_\_\_\_\_  
DeWayne Riouse, Board Member

\_\_\_\_\_  
Barb Swartley, Board Member



Date: 2/10/2022 Author: Cathy Tobey (Indiana Sign & Barricade, Inc) Project: 301 N 1st St Goshen

**Comments:**

Plans provided to meet MUTCD standards. Plans are non signed, sealed or stamped and are for illustration to governing agency for approval. Plans are not to scale.

**Manifest**

- 4 x M4-9 detour (R)
- 2 x M4-9 detour (L)
- 2 x R11-2 road closed R11-2
- 2 x W20-2 detour ahead
- 1 x R11-4 road closed to thru traffic
- 1 x R9-10 R9-10
- 1 x R9-11(L) Sidewalk Closed Ahead, Cross Here R9-11(L)
- 1 x W20-3 road closed ahead



**Stormwater Department**

**CITY OF GOSHEN**

204 East Jefferson Street, Suite 1 • Goshen, IN 46528-3405

Phone (574) 534-2201 • Fax (574) 533-8626

stormwater@goshencity.com • www.goshenindiana.org

## MEMORANDUM

TO: Board of Public Works and Safety

FROM: Stormwater Department

RE: **AGREEMENT FOR THE COMPLETION OF THE CONSTRUCTION PROJECT  
1824 LIGHTHOUSE LANE  
(JN: 2006-2057)**

DATE: February 18, 2022

---

The home at 1824 Lighthouse Lane has passed its final building inspection and the project is substantially complete except for sidewalk installation, seeding and stabilization, and landscaping requirements. These final requirements cannot be completed at this time due to weather conditions.

The Stormwater Department thus submits an Agreement for the Completion of the Construction Project for approval and authorization for the Mayor to execute.

The property owners, The Crossing Development LLC, and the builder, Lehman Development Inc., agree to complete all concrete work, plant the required tree, and stabilize the lawn with seed and a temporary stabilization measure by June 15, 2022. The expected cost of work is \$6,990 and a surety check for that amount has been remitted to the Clerk Treasurer's office.

**Requested Motion: Approve and authorize the Mayor to execute the Agreement with The Crossing Development LLC and Lehman Development Inc. for the Completion of the Construction Project at 1824 Lighthouse Lane.**



**AGREEMENT FOR THE COMPLETION  
OF THE CONSTRUCTION PROJECT**

THIS AGREEMENT is entered into on \_\_\_\_\_, 20 22, between the City of Goshen, Indiana, by and through the Goshen Board of Public Works and Safety, hereinafter referred to as "Goshen," and

Property Owner: The Crossing Development LLC

and, if the builder is responsible for completing the remaining work,

Builder: Lehman Development Inc.

No Builder

hereinafter referred to individually or collectively, if applicable, as "Permittee."

Permittee obtained a building permit for the construction of a building on the real estate at

Site: 1824 Lighthouse Lane, Goshen, Indiana, hereinafter referred to as "Site."

The construction project is substantially complete except for:

certain exterior work that cannot be completed due to weather conditions.

the installation of certain parts or equipment which are not currently available.

In consideration of the terms, conditions and mutual covenants contained in this agreement, the parties agree as follows:

1. **WORK.** Permittee agrees to complete the following remaining item(s) of work, hereinafter referred to as "Work," as soon as conditions permit, but no later than June 15, 20 22, unless an earlier date is specified below:

Permanently stabilize the Site which shall include grading, adding topsoil where needed, seeding and mulching of the grounds. This shall specifically include stabilization of approximately 10,000 square feet of disturbed area with seed and a temporary stabilization measure such as anchored mulch, hydromulch, or erosion control blankets. In addition, all adjacent and/or affected inlets shall be kept covered until the Site has been completely and permanently stabilized.

Plant all required landscaping at the Site according to the plan submitted to the Goshen Planning and Zoning Department. This shall include planting: one large street tree (>40 ft at maturity)

Install the hard surface driveway for the Site.

- Permittee agrees to install a temporary gravel driveway, and Goshen will permit the installation of the temporary gravel driveway until such time as the permanent hard surface driveway can be installed. The temporary gravel driveway shall be installed prior to occupancy of the building, but no later than \_\_\_\_\_, 20\_\_\_\_.
- Install the hard surface parking lot for the Site.
- Permittee agrees to install a temporary gravel parking lot, and Goshen will permit the installation of the temporary gravel parking lot until such time as the permanent hard surface parking lot can be installed. The temporary gravel parking lot shall be installed prior to occupancy of the building, but no later than \_\_\_\_\_, 20\_\_\_\_.
- Install all required parking lot striping for parking spaces at the Site.
- Install approximately 410 square feet of concrete sidewalk and/or curbing at or adjacent to the Site parallel to the following public street: Lighthouse Lane
- Install approximately \_\_\_\_\_ of concrete sidewalk at the Site to the building entrance.
- Install the following certain parts or equipment at the Site: \_\_\_\_\_
- Other: \_\_\_\_\_

2. **SURETY.** Permittee is required to provide Goshen a surety to guarantee the timely and proper completion of the Work if the cost of the Work is estimated by Goshen to be at least Two Thousand Dollars (\$2,000), or if the Work includes the installation of a driveway, parking lot, sidewalk, curbing or other hard surface improvement, regardless of cost.

- Permittee agrees to provide Goshen a surety in the amount of six thousand nine hundred and ninety Dollars (\$ 6,990.00 ) to guarantee the timely and proper completion of the Work under the terms of this agreement. The surety may be in the form of a surety bond, letter of credit, or cash bond, including a cashier's check or corporate check (which City Clerk-Treasurer will cash). The surety is to guarantee the timely and proper completion of the obligations under this agreement and is not intended for the benefit of any third party, including Permittee's contractors or subcontractors. Upon satisfactory completion of the Work, Goshen will release the surety. If the surety is in the form of cash or a check, the Permittee must have a current W-9 on file with the City Clerk-Treasurer so a check may be issued to refund the surety.
- Permittee is not required to provide Goshen a surety to guarantee the timely and proper completion of the Work.

3. **CERTIFICATE OF OCCUPANCY.** Except for the Work yet to be completed as set forth in Section 1 above, once the construction project complies with all applicable City ordinances and requirements, Goshen will issue a Certificate of Occupancy for the Site on the condition that Permittee complies with the terms of this agreement. **It is Permittee's obligation to contact the Goshen Building Department to obtain the Certificate of Occupancy prior to occupying the building.**
4. **FORCE MAJEURE.** If Permittee's performance under this agreement is prevented because of an occurrence that is beyond the control of the Permittee which could not have been avoided by exercising reasonable diligence, Permittee's time for performance will be extended. Such extension shall be for no longer than necessary given the nature of the occurrence which causes the delay. Examples of such occurrences are tornadoes, floods, or more than a typical number of days where rainfall prohibits the performance required of the Permittee.

If Permittee is delayed, Permittee shall immediately notify Goshen in writing describing the nature of the event delaying performance. Permittee shall make every effort to resume performance as soon as possible.

5. **DEFAULT.** It is mutually agreed that if Permittee fails to perform or comply with the terms of this agreement, Goshen may declare the agreement to be in default without notice to Permittee.

Upon declaration of default, Goshen may take such action as is necessary to complete Permittee's obligations although Goshen is not obligated to do so. If Surety is provided under this agreement, Goshen may use the Surety to pay for the completion of any of Permittee's obligations. Goshen may seek any other remedy available at law or equity in addition to or instead of any remedy provided for in this agreement.

Goshen shall have the right to correct any defect in the Work, and Goshen shall have the right to stabilize the Site in accordance with the Goshen City Construction Site Stormwater Runoff Control Ordinance. The Surety, if required, and/or Permittee shall pay all of Goshen's costs and expenses incurred in taking such actions including, but not limited to engineering, legal and other costs, together with any damages either direct or consequential which Goshen may sustain on account of Permittee's failure to fulfill Permittee's obligations under this agreement.

6. **SUBCONTRACTING OR ASSIGNMENT OF CONTRACT.** Permittee shall not subcontract or assign any right or interest under the agreement without having prior written approval from the Goshen Board of Public Works and Safety, provided, however, that Permittee shall be permitted to independently engage any contractors, subcontractors, or laborers to perform the Work, and such engagement shall not be considered to be an impermissible subcontracting or assignment by Permittee of any right or interest under this agreement. Except as provided herein, any attempt by Permittee to subcontract or assign any portion of the agreement shall not be construed to relieve Permittee from any responsibility to fulfill Permittee's obligations.
7. **AMENDMENTS.** Any modification or amendment to the terms and conditions of the agreement shall not be binding unless made in writing and signed by both parties and such modification is approved by the Goshen Board of Public Works and Safety. Any verbal representations or modifications concerning the agreement shall be of no force and effect.

8. **WAIVER OF RIGHTS.** No right conferred on either party under this agreement shall be deemed waived and no breach of this agreement excused unless such waiver or excuse shall be in writing and signed by the party claimed to have waived such right.
9. **NOTICES.** All written notices, properly addressed and sent by U.S. mail or delivered personally to the address provided below shall constitute sufficient notice whenever written notice is required for any purpose in this agreement. Notice will be considered given five (5) days after the notice is deposited in the U.S. mail or when received at the appropriate address.

Address for Goshen:       City of Goshen, Indiana  
                                   Attention: Goshen Legal Department  
                                   204 East Jefferson Street, Suite 2  
                                   Goshen, IN 46528

Address for Permittee:

Property Owner:       The Crossing Development LLC  
                                   12455 Adams Rd., Suite C  
                                   Granger, IN 46530  
                                   \_\_\_\_\_  
                                   \_\_\_\_\_

Builder:                 Lehman Development Inc.  
                                   2995 W. U.S. 20  
                                   Lagrange, IN 46761  
                                   \_\_\_\_\_  
                                   \_\_\_\_\_

No Builder

10. **APPLICABLE LAWS.** Permittee agrees to comply with all applicable federal, state, and local laws, rules, regulations, or ordinances.

In the event of a conflict between this agreement and applicable laws, rules, regulations or ordinances, the most stringent or legally binding requirement shall govern.

This agreement shall be construed in accordance with and governed by the laws of the State of Indiana, and suit, if any, must be brought in a court of competent jurisdiction in Elkhart County, Indiana.

11. **ATTORNEY FEES.** In the event legal action is brought to enforce or interpret the terms and conditions of this agreement, the non-prevailing party will pay all costs and expenses expended or incurred by the prevailing party, including reasonable attorneys' fees.
12. **SEVERABILITY.** In the event that any provision of the agreement is found to be invalid or unenforceable, then such provision shall be reformed in accordance with applicable law. The invalidity or unenforceability of any provision of the agreement shall not affect the validity or enforceability of any other provision of the agreement.
13. **BINDING EFFECT.** All provisions, covenants, terms and conditions of the agreement apply to bind the parties and their legal heirs, representatives, successors and assigns.


14. **ENTIRE AGREEMENT.** This agreement constitutes the entire agreement between the parties and supersedes all other agreements or understandings between Goshen and Permittee.

15. **AUTHORITY TO EXECUTE.** Each person executing this agreement represents that he or she is duly authorized and has legal authority to execute and deliver this agreement on behalf of the respective party, and upon execution and delivery of this agreement, bind the respective party to the terms and conditions of the agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the dates as set forth below.

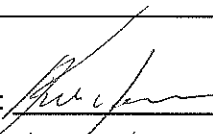
**Permittee:<sup>1</sup>**

Property Owner:

Signature:   
Printed: Brian Moore  
Title (if any): Controller  
Date: 2-15-22

Signature: \_\_\_\_\_  
Printed: \_\_\_\_\_  
Title (if any): \_\_\_\_\_  
Date: \_\_\_\_\_

Builder:

Signature:   
Printed: Keith Yoder  
Title: Construction Manager  
Date: Feb 14-22

**Goshen:**

\_\_\_\_\_  
Jeremy P. Stutsman, Mayor  
Date: \_\_\_\_\_

<sup>1</sup> The Property Owner is required to execute the agreement. If the Builder is responsible for completing the remaining work or if the Builder is providing the surety under the agreement (if required), the Builder is also required to execute the agreement.



**CITY OF GOSHEN LEGAL DEPARTMENT**

City Annex  
204 East Jefferson Street, Suite 2  
Goshen, Indiana 46528-3405

Phone (574) 537-3820 • Fax (574) 537-3817 • TDD (574) 534-3185  
www.goshenindiana.org

February 18, 2022

**To:** Board of Public Works and Safety  
**From:** Carla Newcomer  
**Subject:** Demolition Order 414 River Avenue-Ron Davidhizar

The Board of Public Works and Safety ordered the demolition of the house located at 414 River Avenue on June 25, 2019 and a Compliance Hearing was held on August 22, 2019. Both of these Orders are Recorded with the Elkhart County Recorder as Instrument Number 2019-17463 and are attached hereto.

On August 29, 2019, the property owner filed an Appeal of the Demolition Order in the Elkhart County Superior Court No. 2. On January 14, 2022 the Court denied the Appeal, which had the effect of allowing the Board of Works to enforce its order that the house at 414 River Avenue be demolished.

This matter comes back before the Board to affirm the August 22, 2019 Order of City of Goshen Board of Public Works and Safety for Demolition and the Building Department requests approval to proceed with a submission of Request for Bids to demolish the house at 414 River Avenue.

**Suggested Motion:**

Affirm the Demolition Order dated August 22, 2019 and approve submission of Request for Bids to demolish the house at 414 River Avenue, Goshen.

2019-17463

ELKHART COUNTY RECORDER  
JENNIFER L. DORIO  
FILED FOR RECORD ON  
08/27/2019 12:15 PM  
AS PRESENTED

**ORDER OF THE CITY OF GOSHEN BOARD OF PUBLIC WORKS AND SAFETY**

August 22, 2019

To: Ronald Davidhizar  
203 Middlebury Street  
Goshen, IN 46526

RE: Premises at 414 River Avenue, Goshen, Indiana

As a person holding a substantial property interest in the real estate at 414 River Avenue, Goshen, Indiana, you were served with an Order of the City of Goshen Board of Public Works and Safety dated June 25, 2019 by Paralegal, Carla Newcomer, who mailed the Order by certified mail, return receipt requested and by first-class mail on June 25, 2019.

The June 25, 2019 Board of Works Order required Ronald Davidhizar to demolish the structures at 414 River Avenue by August 20, 2019.

A hearing was held before the City of Goshen Board of Public Works and Safety on August 19, 2019 to review compliance with the June 25, 2019 Order. The August 19, 2019 review hearing also provided Ronald Davidhizar an opportunity to present to the Board of Public Works and Safety with a detailed plan for the repairs to the real estate at 414 River Avenue.

The City of Goshen Building Department appeared by Travis Eash, Code Compliance Officer. Ronald Davidhizar appeared in person at the August 19, 2019 hearing. Evidence was presented and arguments heard regarding compliance with the Board of Public Works and Safety Order of June 25, 2019 for the premises located at 414 River Avenue, Goshen. Ronald Davidhizar presented no proposed renovation plan. However, Ronald Davidhizar indicated that repairs at the location commenced five (5) days prior to the hearing which was confirmed by Travis Eash. The Board found that only one (1) of the ten (10) violations contained in the June 25, 2019 order had been completed by the August 19, 2019 hearing.

The Order of the Goshen Board of Public Works and Safety dated June 25, 2019, required the property at 414 River Avenue to be demolished by August 20, 2019. That Order of June 25, 2019 was not modified by the Board of Public Works and remains in effect.

A copy of the June 25, 2019 Order of the Goshen Board of Public Works and Safety is attached to this Order.

This Order of the City of Goshen Board of Public Works and Safety is issued on August 26, 2019.

City of Goshen Board of Public Works and Safety

  
\_\_\_\_\_  
Jeremy P. Stutsman, Mayor

Order of the City of Goshen Board of Public Works and Safety  
Re: Premises at 414 River Avenue, Goshen, Indiana  
Date: August 22, 2019  
Page 2

STATE OF INDIANA            )  
  )  
COUNTY OF ELKHART        )

Before me, the undersigned, a Notary Public, appeared the City of Goshen Board of Public Works and Safety by Jeremy P. Stutsman, Mayor and acknowledged the execution of the foregoing Order on August 26, 2019

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My commission expires 6/22/25  

CARLA J. NEWCOMER Notary Public <b>SEAL</b> State of Indiana My Commission Expires June 22, 2025 County of Residence Elkhart Commission Number 701987
---

Carla Newcomer  
Printed: Carla S. Newcomer  
Resident of Elkhart County, Indiana

This instrument was prepared by Larry A. Barkes, Attorney No. 3568-20, City Attorney, 204 E. Jefferson Street, Suite 2, Goshen, Indiana 46526, (574) 533-9536.

I affirm, under the penalties for perjury that I have taken reasonable care to redact each social security number in this document, unless required by law (Larry A. Barkes).

**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing Order of the City of Goshen Board of Public Works and Safety for the premises at 414 River Avenue, Goshen, Indiana, was served by sending a copy by regular first-class mail to the last known addresses of the following persons to be notified on August 26, 2019:

To: Ronald Davidhizar  
203 Middlebury Street  
Goshen, IN 46526

Carla Newcomer  
Carla Newcomer, Paralegal  
City of Goshen Legal Department  
204 East Jefferson Street, Suite 2  
Goshen, Indiana 46528



COPY

**ORDER OF THE CITY OF GOSHEN BOARD OF PUBLIC WORKS AND SAFETY**

June 25, 2019

To: Ronald Davidhizar  
203 Middlebury Street  
Goshen, IN 46526

RE: Premises at 414 River Avenue, Goshen, Indiana

As a person holding a substantial property interest in the real estate at 414 River Avenue, Goshen, Indiana, you were served with an Order of the City of Goshen Building Commissioner dated May 16, 2019 by Paralegal Carla Newcomer, who mailed the Order by certified mail, return receipt requested and by first-class mail on May 16, 2019.

A hearing was held before the City of Goshen Board of Public Works and Safety on June 17, 2019 to review compliance with the May 16, 2019 Order of the City of Goshen Building Commissioner. The City of Goshen Building Department appears by Travis Eash, Code Compliance Officer. Ronald Davidhizar also appears at the hearing.

Evidence was presented and arguments heard.

The Board of Public Works and Safety being duly advised in the condition of the building at 414 River Avenue, Goshen, Indiana, now finds that the present condition of the building and/or premises is unsafe because the building and/or premises are vacant and not maintained in a manner that would allow human habitation, occupancy or use under the requirements of a statute or ordinance, are in an impaired structural condition that make it unsafe to a person or property or are a fire hazard.

In particular, the Board finds that the present condition of the building and/or premises is in violation of the following sections of Title 6, Article 3, Chapter 1 of the Goshen City Code:

1. Violation of Section 6.3.1.1(1). Electrical wires have been removed or cut off creating a fire hazard.
2. Violation of Section 6.3.1.1(1). Light fixtures are loose and hanging creating a fire hazard.
3. Violation of Section 6.3.1.1(2). The foundation walls are caving in causing a reasonable risk of collapse.
4. Violation of Ordinance 4721 (passed 1/2/13). Rear back door is open and unsecured.
5. Violation of Section 6.3.1.3(8). Furnace needs to be installed.
6. Violation of Section 6.3.1.1(7). All rooms have peeling paint and damaged ceilings.
7. Violation of Section 6.3.1.1(5). Rear porch ceiling panels are damaged.
8. Violation of Section 6.3.1.1(4). Front and rear doors are damaged; wood is rotted and daylight is visible from the inside.
9. Violation of Section 6.3.1.1(4). Windows are broken.

Order of the City of Goshen Board of Public Works and Safety

Re: Premises at 414 River Avenue, Goshen, Indiana

Date: June 25, 2019

Page 2

10. Violation of Section 6.3.1.1(3). Roof leaks on 2<sup>nd</sup> floor by the chimney, causing deterioration in the ceiling and walls.

The Board of Public Works and Safety affirms the original Order of the City of Goshen Building Commissioner and enters this Order as follows:

You are ordered to demolish the property by **August 20, 2019**. If a detailed plan for repairs is presented to the City of Goshen Board of Public Works and Safety at the hearing scheduled for Monday, August 19, 2019, the Board will review and consider the plan.

A review hearing will be held before the City of Goshen Board of Public Works and Safety on **Monday, August 19, 2019 at 2:00 p.m. (local time)**, or as soon thereafter for the purpose of reviewing compliance with this Order of the Board of Public Works and Safety. This hearing will be held at the Goshen Police & Court Building in the Court Room/Council Chambers at 111 East Jefferson Street, Goshen, Indiana.

In the event that you fail to comply with this Order, the City of Goshen may take action to make the required corrections and will bill you for the costs of such work, including, the actual cost of the work performed and an amount equal to the average processing expense the City will incur in pursuing this matter. Such amounts can become a lien upon the real estate and can ultimately be enforced in the same manner as any other judgment.

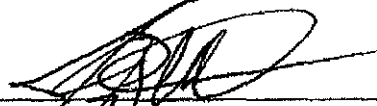
You are entitled to appeal these findings of facts and this Order to the Elkhart Circuit Court or Elkhart Superior Court by filing a verified complaint within ten (10) days of the date of this notice. Should you fail to file a verified complaint within the specified period of time, then your right to appeal this action would be forfeited.

Indiana Code § 36-7-9-27 requires that if you transfer your interest or any portion of your interest in the unsafe building and/or premises affected by this Order to another person, you must supply the other person with full information regarding this Order prior to transferring that interest or agreeing to transfer that interest. Within five (5) days after transferring or agreeing to transfer a substantial property interest in the unsafe building and/or premises, you must also supply City of Goshen Community Development Director Mark Brinson with the full name, address and telephone number of the other person taking a substantial property interest in the unsafe building and/or premises, along with written copies of the agreement to transfer the interest or copies of the document actually transferring the interest. Mr. Brinson's office is located at 204 East Jefferson Street, Suite 2, Goshen, Indiana 46528, or you may contact him at (574) 537-3824. Should you fail to comply with these provisions, then you may be liable to the City of Goshen for any damage that the City of Goshen may suffer in the event that judgment is entered against the City by the other person to whom the transfer was made.

Order of the City of Goshen Board of Public Works and Safety  
Re: Premises at 414 River Avenue, Goshen, Indiana  
Date: June 25, 2019  
Page 3

This Order of the City of Goshen Board of Public Works and Safety is issued on June 25, 2019.

City of Goshen Board of Public Works and Safety

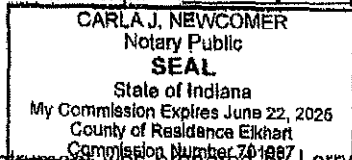
  
\_\_\_\_\_  
Jeremy P. Stutsman, Mayor

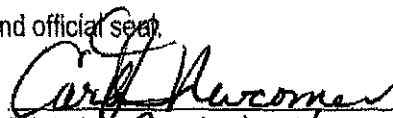
STATE OF INDIANA     )  
                                  )  
COUNTY OF ELKHART    )

Before me, the undersigned, a Notary Public, appeared the City of Goshen Board of Public Works and Safety by Jeremy P. Stutsman, Mayor and acknowledged the execution of the foregoing Order on June 25, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My commission expires: 6/22/2025



  
Printed: Carla J. Newcomer  
Resident of Elkhart County, Indiana

This instrument was prepared by Larry A. Barkes, Attorney No. 3568-20, City Attorney, 204 E. Jefferson Street, Suite 2, Goshen, Indiana 46526, (574) 533-9536.

I affirm, under the penalties for perjury that I have taken reasonable care to redact each social security number in this document, unless required by law (Larry A. Barkes).

Order of the City of Goshen Board of Public Works and Safety  
Re: Premises at 414 River Avenue, Goshen, Indiana  
Date: June 25, 2019  
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### CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Order of the City of Goshen Board of Public Works and Safety for the premises at 414 River Avenue, Goshen, Indiana, was served by sending a copy by regular first-class mail to the last known addresses of the following persons to be notified on June 25, 2019:

To: Ronald Davidhizar  
203 Middlebury Street  
Goshen, IN 46526



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Carla Newcomer, Paralegal  
City of Goshen Legal Department  
204 East Jefferson Street, Suite 2  
Goshen, Indiana 46528

STATE OF INDIANA, COUNTY OF ELKHART  
IN THE ELKHART SUPERIOR COURT NO. 2

RONALD E. DAVIDHIZAR,  
Plaintiff,

v.

CITY OF GOSHEN, INDIANA,  
Defendant.

CAUSE NUMBER  
20D02-1908-PL-000218

**FILED**  
January 14, 2022  
Elkhart Superior Court 2  
JH

**ORDER**

Davidhizar seeks judicial review of Goshen's administrative order, through its Board of Public Works and Safety (the "Board"), finding that one of his houses is unsafe and directing that the house be demolished pursuant to Indiana's Unsafe Building Law, codified at Ind. Code §§ 36-7-9-1 to -29. Davidhizar makes several arguments. First, he argues that the Court, when deciding whether the findings and order are appropriate, may not consider any, or at least most, of the materials that Goshen submitted as the Board Record. Second, he contends that even if the Court considers all or a portion of the Board Record, the Board Record does not contain sufficient evidence that the house is unsafe. Third, he argues that even if the Court considers the materials and concludes that the house is unsafe, demolition is not appropriate, and Davidhizar should have been given an opportunity to complete repairs. The Court DENIES Davidhizar's Ind. Code § 36-7-9-8 appeal.

**FACTUAL BACKGROUND**

Davidhizar owns a residential property located at 414 River Avenue in Goshen, Indiana. The Board has instituted enforcement actions under the Unsafe Building Law with respect to this property that stretch back many years. (See Board Order of December 2, 2013 [Board Record, pp. 14-16]). On November 26, 2013, Goshen and Davidhizar entered into a Stipulation of Facts and Action. (Board Record, p. 3). The Stipulation states that Davidhizar was notified that the house at 414 River Avenue is unsafe and needs to be demolished. (*Id.*). The violations are set out in Exhibit 7 to the Stipulation, and there are ten violations listed. (*Id.*, p. 11). Goshen agreed that a number of other houses that Davidhizar owns could be brought into compliance. (*Id.*, p. 4). The parties agreed that Davidhizar would bring 414 River Avenue into compliance with local ordinances or demolish the house no later than April 30, 2014. (*Id.*).

On July 1, 2014, the Board served notice on Davidhizar of a compliance hearing to be held on August 11, 2014. (Board Record, pp. 27-29). Davidhizar failed to appear for the hearing. (Board Order of August 11, 2014 [Board Record, p. 30]). The Board found that Davidhizar had not remedied any of the ten violations that rendered 414 River Avenue unsafe and ordered "demolition of the house immediately." (*Id.*, pp. 3-4).

On August 19, 2014, Goshen sent Davidhizar a letter informing Davidhizar that the Board had agreed to postpone immediate demolition for six weeks to

allow Davidhizar “sufficient time to sell the property to one of the parties who have shown interest.” (*Id.*, p. 32). LaCasa, Inc., a local nonprofit agency, sent Davidhizar a letter dated August 19, 2014, informing Davidhizar of its interest in purchasing the property, contingent on obtaining a grant to pay for the demolition. (*Id.*, p. 33).

Years passed. On May 16, 2019, the Board issued an order to Davidhizar, seeking to resume its plan to demolish the house at 414 River Avenue. (*Id.*, pp. 44-46). The order recited the same ten violations identified in the Stipulation. (*Id.*, p. 44). The Board set the matter for hearing on June 17, 2019.

At the June 17, 2019 hearing, Travis Eash of the Goshen Building Department informed the Board that he had inspected 414 River Avenue on June 12, 2019. (*Id.*, p. 95). Eash presented photos of the property. (*Id.*). Eash referenced the 2014 order for demolition, and stated that since 2014, “the property has only gotten worse.” (*Id.*). He then described various issues at the property. (*Id.*). The Board questioned whether 414 River Avenue “was part of that LaCasa deal.” (*Id.*, p. 96). Mr. Davidhizar told the Board, “I only learned on Thursday, actually, that the money was gone and LaCasa was no longer going to be able to handle these houses.” (*Id.*, p. 97). Referring to 414 River Avenue and another house, Davidhizar said, “I may decide to just tear them down because the costs of repair would be prohibitive, but I will need some time to assess that. I really haven’t done much

on that because I had signed the agreement with LaCasa that they were going to use the grant money to buy these, but the grant money ran out . . . ." (*Id.*, p. 98). He requested "sixty days to assess the situation." (*Id.*).

The Board and Davidhizar then had the following discussion:

MAYOR STUTSMAN: I guess I'd be comfortable ordering the demolition within the next sixty days and then if you've got a good plan, you can come back to us before the sixty-day mark and try to sell us on the plan.

MR. LANDIS: That gives him sixty days but if at fifty-nine days he comes in and says here's my plan, we can rescind the order.

MAYOR STUTSMAN: Yeah, if we like the plan, we can rescind the order, and if we don't, we're no further behind. Does that work for you?

MR. DAVIDHIZAR: Yep. Sounds good.

(*Id.*, p. 100). Mayor Stutsman made a motion for the Board to order demolition in sixty days with the caveat that "if a plan that the Board approves comes before us at the sixty-day mark, we will look at terminating the demolition." (*Id.*). The motion passed. (*Id.*, p. 101). The Board incorporated the factual allegations contained in the "petition," which the Court interprets as the ten violations stated in the Order of May 16, 2019. (*Id.*). The Court considers the incorporated factual allegations to be the Board's findings of fact in support of their demolition order.

After the hearing, the Board issued a written order, dated June 25, 2019. (*Id.*, pp. 78-81). In the Order, the Board reached the following conclusions:



The Board of Public Works and Safety being duly advised in the condition of the building at 414 River Avenue, Goshen, Indiana, now finds that the present condition of the building and/or premises is unsafe because the building and/or premises are vacant and not maintained in a manner that would allow human habitation, occupancy or use under the requirements of a statute or ordinance, are in an impaired structural condition that make it unsafe to a person or property or are a fire hazard.

(*Id.*, p. 78). The Board found that the same ten code violations that have been at issue since at least the 2013 Stipulation, discussed above, had not been remedied.

(*Id.*, pp. 78-79). The Board ordered Davidhizar to demolish the property by August 20, 2019. (*Id.*, p. 79). The order also states, “[i]f a detailed plan for repairs is presented to the City of Goshen Board of Public Works and Safety at the hearing scheduled for Monday, August 19, 2019, the Board will review and consider the plan.” (*Id.*). The Board set a review hearing for August 19, 2019. (*Id.*). The order also informed Davidhizar of his right “to appeal these findings of facts and this Order” within ten days. (*Id.*). Davidhizar did not appeal the findings or fact or the order within ten days.

At the August 19, 2019 review hearing, Davidhizar requested a four-week extension to remedy the violations that rendered the building unsafe. (*Id.*, p. 105). Davidhizar reported that he had repaired some of the broken windows, some holes in the roof, secured the doors, pulled plumbing and electrical permits, scraped peeling paint, and was in the process of repairing plaster. (*Id.*, pp. 103-104). Troublingly, Davidhizar acknowledged that the police had been called to the

building that week because there were children on the roof poking holes. (*Id.*, p. 104). He waited until the day of the hearing to pull the permits and had only begun this work five days before the hearing. (*Id.*). He presented no evidence that these repairs had been done other than his own testimony, and he presented no testimony relating to his plan to remedy the remaining violations that the Board had concluded rendered the building unsafe. The Board did not consider Davidhizar's plan for remediation to be sufficient, denied Davidhizar's request for an extension, and decided to proceed forward with demolition. (*See id.*, pp. 91-92). Davidhizar now seeks judicial review.

#### DISCUSSION

Davidhizar seeks review of the Board's demolition order. A review of a demolition order under the Unsafe Building Law is de novo. Ind. Code § 36-7-9-8(c). The Indiana Court of Appeals has explained, "[u]nder de novo review, a trial court may, to a limited extent, weigh the evidence supporting the finding of fact by the enforcement authority." *Brown v. Anderson Bd. of Public Safety*, 77 N.E.2d 1106, 1108 (Ind. Ct. App. 2002) (internal quotes omitted). But "[t]he court may negate the finding only if, based upon the evidence as a whole, the finding of fact was arbitrary, capricious, an abuse of discretion, unsupported by the evidence, or in excess of statutory authority." *Id.* The Court may not substitute its judgment for the Board's, and "the facts should be determined only one time." *Id.*

Davidhizar seeks to overturn this administrative order, so he bears the burden of proof. *Id.*

The Court now addresses Davidhizar's arguments that (A) the Court cannot consider most, if not all, of the Board Record; (B) the facts set out in the Board Record, as summarized above, are not sufficient to show that the house is unsafe; and (C) the demolition order is premature.

**A. Davidhizar did not object to the informal hearing procedures, so the issue is waived.**

Goshen conducted hearings under Indiana's Unsafe Building Law. Davidhizar essentially asks the Court to conclude that Goshen presented no evidence at the 2019 hearings in this case, discussed below, because the Board did not conduct the hearing with the formality of a court proceeding. Specifically, Davidhizar complains that no witnesses were sworn; no exhibits were marked or admitted into evidence; and there was no clear separation between evidence and argument.

But Davidhizar has not directed the Court to any authority, either statutes or case law, requiring the level of formality that Davidhizar demands. Initially, the Court notes that during the Board hearings related to this property, Davidhizar never requested that witnesses be sworn or that evidence be formally marked and admitted. The Board did not refuse a request from Davidhizar that the hearing follow these formal procedures. Instead, Davidhizar went along with the

informality of the hearings and now, in hindsight, complains that the procedures were not sufficiently formal. Davidhizar's procedural arguments are waived. Cf. *Lilley v. City of Carmel*, 527 N.E.2d 224, 227 (Ind. Ct. App. 1988) ("One cannot sit idly by until the Board announces its decision and then object to the procedure utilized. Issues are not preserved for appeal unless a proper and timely objection is made.") (cited with approval in *Sullivan v. City of Evansville*, 728 N.E.2d 182, 193 n.8 (Ind. Ct. App. 2000); *Hoogenboom-Nofziger v. State Bd. Of Tax Com'rs*, 715 N.E.2d 1018, 1022 (Ind. T.C. 1999) (participant at administrative hearing cannot choose to remain silent and participate in a hearing and then later complain about irregularities).

Also, even if these arguments are not waived,<sup>1</sup> the Court finds Davidhizar's arguments unpersuasive. Davidhizar relies on secondary materials for his argument that any testimony at the hearing was required to be sworn. (Davidhizar's Appellant's Brief, p. 8). He quotes the *Corpus Juris Secundum*, which states, "[w]here the administrative body is authorized to administer oaths, all witnesses must be sworn, and it is important that the record does not contain unsworn testimony." 73 C.J.S. Public Administrative Law and Procedure § 303.

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<sup>1</sup> Davidhizar also briefly argues that he was not advised of his right to cross-examine Eash from the Building Department. But he cites to no authority that such an advisement (like a *Boykin* advisement) is even required. Davidhizar was given the opportunity to speak immediately after Eash concluded, but he did not even attempt to ask Eash any questions.

Davidhizar contends that mayors are authorized to administer oaths, citing Ind. Code § 33-42-4-1(6).<sup>2</sup> Davidhizar also quotes the following passage from the C.J.S.: “Generally, in an adjudicatory proceeding before a public administrative body, nothing may be treated as evidence which has not been introduced as such and incorporated into the record.” *Id.* § 292 (footnotes omitted).

However, Goshen cites to a number of cases stating that administrative proceedings that fall outside of Indiana’s Administrative Orders & Procedures Act are intended to be informal, do not require sworn testimony, and are not required to comply with the Indiana Rules of Evidence. (Goshen’s Memorandum in Response to Davidhizar’s Appellate Brief, pp. 3-4). In the absence of clear authority holding otherwise, the Court declines to impose formal procedural requirements on a hearing conducted under the Unsafe Building Law.

**B. There is sufficient evidence in the record that the house is an unsafe building.**

Davidhizar makes a complicated argument as to why the house on 414 River Avenue is not an unsafe building. However, the Board entered its finding that the building was unsafe and ordered demolition in its order of June 25, 2019.

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<sup>2</sup> Davidhizar actually cites to Ind. Code § 34-42-4-1(5), but this citation is clearly a typographical error because Act 42 of Title 34 deals with business records and does not have four or more chapters. I.C. § 33-42-4-1 dealt with authority to administer oaths, but subsection (5) related to the clerk of the supreme court. Subsection (6) authorized mayors to administer oaths. Regardless, I.C. § 33-42-4-1 was repealed effective July 1, 2018.

He was required to appeal the order within ten days. I.C. § 36-7-9-8(b). But he did not do so until August 28, 2019. He waived his right to judicial review.

Notwithstanding waiver, Davidhizar's arguments are unpersuasive. The Unsafe Building Law defines an "unsafe building" as follows:

- (a) For purposes of this chapter, a building or structure, or any part of a building or structure, that is:
- (1) in an impaired structural condition that makes it unsafe to a person or property;
  - (2) a fire hazard;
  - (3) a hazard to the public health;
  - (4) a public nuisance;
  - (5) dangerous to a person or property because of a violation of a statute or ordinance concerning building condition or maintenance; or
  - (6) vacant or blighted and not maintained in a manner that would allow human habitation, occupancy, or use under the requirements of a statute or an ordinance;
- is considered an unsafe building.

I.C. § 36-7-9-4(a).

Davidhizar's argument goes as follows. On June 25, 2019, the Board entered the demolition order, which sets out the following findings:

that the present condition of the building and/or premises is unsafe because the building and/or premises are vacant and not maintained in a manner that would allow human habitation, occupancy or use under the requirements of a statute or ordinance, are in an impaired structural condition that make it unsafe to a person or property or are a fire hazard.

(Board Record, p. 78). Davidhizar notes that this passage mirrors the language of I.C. § 36-7-9-4—subsections (a)(6), (a)(1), and (a)(2), respectively. He criticizes the

Board's use of "and/or" and argues that these findings must be read disjunctively. Davidhizar then reasons—without explanation—that the Court cannot affirm the Board's decision unless there is a sufficient factual basis in the record to support each of these three findings; *i.e.*, despite the clear language of the statute, meeting the criteria of one subsection is not sufficient because of the Board's use of "and/or."

Davidhizar then focuses on subsection (a)(6), claiming that the Board lacked sufficient evidence to enter its finding that "the building and/or premises is unsafe because the building and/or premises are vacant and not maintained in a manner that would allow human habitation, occupancy or use under the requirements of a statute or ordinance." He claims that the word "vacant" implicitly requires that the building present a hazard to the public, and the public "would include the inhabitants occupying a building as owners, lessees, or others authorized by owners or lessees, but not workers engaged in constructing or rehabilitating the building." (Davidhizar's Appellant's Brief, pp. 19-20). Davidhizar then appears to assert that individuals outside of these categories are not "persons within the class of persons protected by the state statute or the City's ordinance," so a building secured against intrusion cannot be a hazard to them or their property.

The Court disagrees with Davidhizar's argument for a number of reasons, but the Court limits its analysis to two issues. First, the Board's use of "and/or"

does not mean that the Court must find sufficient evidentiary support for all three of the reasons the Board concluded the house is an unsafe building. There is clear evidence that the house is “in an impaired structural condition that makes it unsafe to a person or property.” In particular, on November 26, 2013, Davidhizar entered into a stipulation with Goshen. Goshen identified ten defects that make the building unsafe. (Ex. 7 to Stipulation [Board Record, p. 11]). One of the defects is “[t]he foundation walls are caving in causing a reasonable risk of collapse.” (*Id.*). Davidhizar agreed to bring 414 River Avenue into compliance or demolish the house no later than April 30, 2014. (*Id.*, p. 4).

As of June 12, 2019, “the property ha[d] only gotten worse.” (*Id.*, p. 95). Davidhizar acknowledged as much on June 17, 2019, “I haven’t really done much on that because I had signed the agreement with LaCasa that they were going to use the grant money to buy [the house.]” (*Id.*, p. 98). The Building Department noted, “[t]hey’ve got weeds growing through the foundation in the basement. . . . The foundation, there are several areas where there are cracks, large holes where you can see that water, weather, animals, basically anything can get in there.” (*Id.*, p. 95). This is evidence that the foundation is in no better condition than it was in 2014, when Goshen concluded that the foundation walls are caving in causing a reasonable risk of collapse. The building is in an impaired structural condition that makes it unsafe to a person or property. Specifically, if the building collapses,



passersby could be injured, not to mention children who may be climbing on the roof of the vacant house, a situation that happened during the period of time in which Davidhizar was ordered to repair or demolish the house. There is sufficient evidence in the record to support the Board's conclusion that the house is an unsafe building under I.C. § 36-7-9-4(a)(1).

Second, for the reasons just stated, the building meets Davidhizar's definition of "vacant" under I.C. § 36-7-9-4(a)(6), which he argues must mean that the building presents a hazard to person or property. The Court disagrees with Davidhizar to the extent he argues that the purpose of the statute is not to protect children, who may trespass by climbing on the roof, or passersby. *See* I.C. § 36-7-9-4.5(c) (the General Assembly found that "[v]acant structures attract children"). The Board found that the foundation's deterioration has caused a reasonable risk that the building will collapse, which presents a very real public hazard.

For these reasons, the Court holds that there is sufficient evidence in the record for the Board to conclude that the house at 414 River Avenue is an unsafe building.

**C. The Board was not required to grant Davidhizar an extension to undertake repairs.**

Davidhizar argues that even if the house at 414 River Avenue is an unsafe building, demolition is not the appropriate action at this time. Ind. Code § 36-7-9-5 states, in relevant part,

(a) The enforcement authority may issue an order requiring action relative to any unsafe premises, including:

\*\*\*\*\*

- (7) demolition and removal of an unsafe building if:
  - (A) the general condition of the building warrants removal;
  - or
  - (B) the building continues to require reinspection and additional abatement action after an initial abatement action was taken pursuant to notice and an order[.]

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I.C. § 36-7-9-5(a). The statute also offers a number of less drastic alternatives. *See id.* The Board Record shows that the foundation of the building was so deteriorated that there was a reasonable risk the building would collapse, so the Court cannot conclude that the Board's decision that the general condition of the building warrants removal was not based on sufficient evidence.

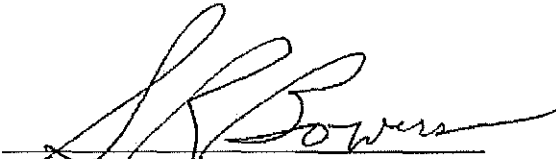
Also, the Board has worked with Davidhizar since no later than November 26, 2013, when the parties entered into their stipulation. Goshen inspected the house in 2013. (*See* Board Record, p. 3). Davidhizar took no action to fix the house. In 2019, the Board resumed enforcement action and again inspected the house. (Board Record, p. 95). Nevertheless, the Board gave Davidhizar an opportunity to avoid demolition. All he had to do was present a detailed plan to the Board, within sixty days, as to how he would cure the violations that caused the building to be unsafe. The plan that he presented was a last-minute, vague plan as to how he

would remedy only some of the defects. Notably, at the August 22, 2019 hearing, Davidhizar did not even address how he would repair the foundation. The building continued to require reinspection after the 2013 abatement action. The Board's decision to order demolition was based on sufficient evidence.

**CONCLUSION**

For the foregoing reasons, Davidhizar's Ind. Code § 36-7-9-8 appeal is DENIED.

January 14, 2022

  
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Stephen R. Bowers, Judge  
Elkhart Superior Court No. 2

