



Traverse City Housing Commission
A Public Housing Authority

COMMISSION MEETING MATERIAL

FOR THE REGULAR MEETING
Tuesday, December 15, 2015 at 8:00 A.M.

LOCATION:
RIVERVIEW TERRACE COMMUNITY ROOM, 3rd FLOOR
150 Pine Street, Traverse City, Michigan, 49684



Traverse City Housing Commission
A Public Housing Authority

TABLE OF CONTENTS

Meeting Agenda	6
November 17, 2015 Regular Meeting Minutes	9
Schedule of Disbursements for November 2015 for Public Housing	12
Schedule of Disbursements for November 2015 for HCV Section 8 Programs	15
Invoices for December 2015	19
Financial Statements for November 2015	23
Property Disposition Resolution	29
November 27, 2015 Executive & Governance Committee Minutes	31
Executive Director’s Report	34
Family Self-Sufficiency (FSS) Program Report	36
Resident Council Report.....	42
2016 Consolidated Budget	44
2015 – 2020 Strategic Plan.....	47
TPA Application to Grand Traverse County – Response	48
Fiscal Year 2015 Audit Report	51
2016 Meeting Schedule	90
FSS Graduation Payout Request.....	91
Brenda Jones Quick Letter	93
Brenda Jones Quick Letter Response	96
FHLBI Letter	98
PHAS Score Report from HUD	99



Traverse City Housing Commission
A Public Housing Authority

MEETING AGENDA

December 15, 2015



NOTICE

**THE TRAVERSE CITY HOUSING COMMISSION WILL CONDUCT A REGULAR MEETING
ON TUESDAY, DECEMBER 15, 2015 AT 8:00 A.M.**

RIVERVIEW TERRACE COMMUNITY ROOM
150 Pine Street, Traverse City, Michigan, 49684
(231) 922-4915

POSTED: DECEMBER 11, 2015

The Traverse City Housing Commission does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Please, contact the Traverse City Housing Commission Office, 150 Pine Street, Traverse City, Michigan, 49684, (231) 922-4915, to coordinate specific needs in compliance with the non-discrimination requirements continued in Section 35.087 of the Department of Justice Regulations. Information concerning the provisions of Americans with Disabilities Act (ADA), and the rights provided hereunder, are available from the ADA Coordinator.

If you are planning to attend and you have a disability requiring any special assistance at the meeting, please notify the Executive Director immediately.

AGENDA

- I CALL TO ORDER & ROLL CALL**
- II APPROVAL OF AGENDA**
- III PUBLIC COMMENT**
- IV CONSENT AGENDA**

The purpose of the Consent Agenda is to expedite business by grouping non-controversial items together to be dealt with by one Commission motion without discussion. Any member of the Commission, staff or the public may ask that any item on the Consent Agenda be removed from and placed elsewhere on the agenda for full discussion. Such requests will automatically be respected. If an item is not removed from the Consent Agenda the action noted on the Agenda is approved by a single Commission action adopting the Consent Agenda (*all items on the Consent Agenda are printed in italics*).

- A. *Consideration of Approval of November 17, 2015 Regular Meeting Minutes – Approval Recommended.*

- B. *Consideration of Approval of Schedule of Disbursements for November 2015 for Public Housing & HCV Section 8 Programs – Approval Recommended.*
- C. *Review & Approval of Payment of Invoices for December 2015 – Approval Recommended.*
- D. *Review & Acceptance of Financial Statements for November 2015 – Approval Recommended.*
- E. *Resolution on Annual Property Disposition – Approval Recommended.*

V COMMITTEE & COMMISSIONER REPORTS

- A. Executive & Governance Committee: November 27, 2015

VI STAFF & PROGRAM REPORTS

- A. Executive Director’s Report
- B. Family Self-Sufficiency (FSS) Program Report
- C. Resident Council Report

VII OLD BUSINESS

- A. 2016 Consolidated Budget: Review
- B. 2015 – 2020 Strategic Plan: Review & Update
- C. Response from Grand Traverse County an application to be Third Party Administrator for CDBG Homeowner Rehabilitation Program

VIII NEW BUSINESS

- A. Fiscal Year 2015 Annual Audit
- B. 2016 Calendar of Meetings
- C. Disbursement of Escrow Funds to FSS Program Graduate
- D. Riverview Terrace Property Line Walking Tour

IX CORRESPONDENCE

- A. Brenda Jones Quick Letter to HUD of November 25, 2015
- B. TCHC Response Letter to Brenda Jones on December 3, 2015
- C. FHLBI Appointment Letter of November 23, 2015
- D. Public Housing Assessment System (PHAS) Score Report & Email from Detroit HUD

X PUBLIC COMMENT

XI COMMISSIONER COMMENT

XII ADJOURNMENT

NEXT SCHEDULED MEETING: Tuesday, January 19, 2016 at 8:00 A.M.



Traverse City Housing Commission
A Public Housing Authority

CONSENT AGENDA

November 17, 2015 Regular Meeting Minutes

Schedule of Disbursements for November 2015 for Public Housing

Schedule of Disbursements for November 2015 for HCV Section 8 Programs

Invoices for December 2015

Financial Statements for November 2015

Resolution for Property Disposition

**Meeting Minutes of the Traverse City Housing Commission
November 17, 2015**

A Regular Meeting of the Traverse City Housing Commission was called to order by President Andy Smits at Riverview Terrace, Community Room, 150 Pine Street, Traverse City Michigan, at 8:00 a.m.

I ROLL CALL

The following Commissioners were present: Kay Serratelli, Jo Simerson, Andrew Smits, Richard Michaels, and Kelly Whittle.

Staff: Tony Lentych, Executive Director; JoAnn Turnbull, Deputy Director; Kari Massa Program Manager and Jerry Dafoe, Maintenance.

Residents: Priscilla Townsend, Marie Schaffer, Caroline Beaudrie, Elizabeth Osborn

Public: None

II APPROVAL OF AGENDA

Commissioner Michaels moved (Whittle support) that the agenda be approved. The motion was unanimously approved.

III PUBLIC COMMENT

Riverview Residents, Pricilla Townsend, Caroline Beaudrie, Elizabeth Osborn and Marie Schaffer commented on the Riverview Resident Council.

IV CONSENT CALENDAR

Commissioner Serratelli moved (Simerson support) to approve the Consent Calendar as presented. The motion was unanimously approved.

- A. Consideration of Approval of October Regular session Minutes,
- B. Review and approve payment of invoices for November 2015
- C. Consideration of Approval of Schedule of Disbursements for October 2015 for Public Housing and HCV, Section 8 Programs
- D. Review and approve payment of invoices for August 2015 Financial
- E. Financial Statements for October 2015

V COMMITTEE REPORTS

- A. Executive & Governance Committee: Meeting minutes for the October 16, 2015 and November 10, 2015 were included in the packet. Commissioner Serratelli announced that a new Commissioner had been appointed, Brian Haas. Commissioner Smits informed the Board that a CD Rom of Board member basics is available at Prosecutor Bob Cooneys' office.

VI STAFF AND PROGRAM REPORTS

- A. Executive Director's Report: Discussion of employee job descriptions and salary adjustments will be further reviewed by the Governance Committee. The Server for the office was upgraded on November 19, 2015 onto the Cloud which will allow

commissioner access also. Policy controls with the upgrades will be reviewed. Phase 3, document and archiving may be completed by an outside contractor.

VII OLD BUSINESS

- A. 2016 Consolidated Budget presented
- B. 2015-2020 Strategic Plans: ED Lentych noted that the Finance & Compliance Committee added items to the Gant Chart. President Smits plans to share the final plan with the City Commission in December.
- C. Incentive-based Compensation Plan and scale will be reviewed by the governance Committee. The dollar potential will be will be determined by Budget Criteria.
- D. Roof top Lease: T-Mobile contract has been reviewed with our attorney

VIII NEW BUSINESS

- A. TCHC Vehicle Purchase: The Board of Commissioners supports the purchase and/or lease of a maintenance vehicle. Staff will make recommendations to the Board.
- B. Riverview Terrace Residents Council/TCHC Memorandum of Understanding. President Smits requested that the Resident Council review the Federal Regulations and HUD requirements for the objectives and rights of the Council: 1. Check that the Resident council is a duly elected organization under state law. 2. That an independent 3rd party verifies the election process 3. Advises that funding is limited and earmarked and there is a fiduciary responsibility to audit the use of funding from the Program. The Commission is unable to approve the MOU until the review is completed, that all checks and balances and accountability is in place.
- C. Resolution Supporting Application to Grand Traverse County for CDBG Homeowner Rehabilitation Program as Third Party Administrator: Commissioner Michaels moved (Simerson support) the formal response to the Grand Traverse County Request for Proposals issued seeking a Third Party Administrator for Grand Traverse County Community Development Block Grant Homeowner Rehabilitation Program. Motion passed
- D. Executive Director Performance Review. The variety of topics was discussed by the Board members. The new ED job description is more generic than previous editions: the review should include accomplishments, meeting the requirements of the job description, strategic plan and incentive compensation goals.

IX CORRESPONDENCE

- A. HUD Letter on Receipt of FY 2014 Audit
- B. Sondee, Racine & Doren Letter on Executive Director Job Description was reviewed
- C. Brenda Jones Quick Letter to HUD was commented on by President Smits.
- D. Capital Fund Training Completion Letter

X PUBLIC COMMENT

General: Carolyn Beaudrie and Elizabeth Osborn, Riverview Residents.

XI COMMISSIONER COMMENT

President Smits commented on the RAB and Resident Council. The Board Members thanked Kelly Whittle for her contribution to the Board.

XII ADJOURNMENT

Commissioner Michaels moved (Commissioner Whittle support) to adjourn. The motion was unanimously approved and President Smits adjourned the meeting at 10:06 A.M.

Respectfully submitted,

JoAnn Turnbull, Recording Secretary

Andrew Smits, President

Traverse City Housing Commission
Check Register Summary Report
 Bank of Northern MI
 From: 11/01/2015 To: 11/30/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
11/04/2015	DEP			20,885.59	193,615.28
11/04/2015	DEP			11,255.24	204,870.52
11/05/2015	EFT	HUD		5,400.00	210,270.52
11/06/2015	DEP			9,718.50	219,989.02
11/06/2015	035959	USPS- Hasler	1,500.00		218,489.02
11/06/2015	035960	Ace Welding & Machine Inc	181.19		218,307.83
11/06/2015	035961	Nuisance Animal Control	295.00		218,012.83
11/06/2015	035962	Verizon Wireless	98.41		217,914.42
11/06/2015	035963	A T & T	167.88		217,746.54
11/06/2015	035964	Charter Communications	2,886.15		214,860.39
11/06/2015	035965	Nichols Paper & Supply Co.	115.77		214,744.62
11/06/2015	035966	DTE ENERGY	39.40		214,705.22
11/06/2015	035967	Otis Elevator Company	4,535.75		210,169.47
11/06/2015	035968	Northwest Lock, Inc.	221.00		209,948.47
11/06/2015	035969	Walters & Hemming Inc	1,229.00		208,719.47
11/06/2015	035970	Spectrum Business	174.98		208,544.49
11/06/2015	035971	SAM'S CLUB	541.23		208,003.26
11/06/2015	035972	City Of Traverse City	250.00		207,753.26
11/06/2015	035973	DTE ENERGY	92.00		207,661.26
11/06/2015	035974	Gerald DaFoe	122.55		207,538.71
11/08/2015	ADJST	David Gourlay	1,134.29		206,404.42
11/09/2015	EFT			21,770.00	228,174.42
11/09/2015	DEP			336.55	228,510.97
11/10/2015	EFT	Principal Life Insurance Co.	1,262.49		227,248.48
11/10/2015	ADJST	Anthony Lentych	2,359.25		224,889.23
11/10/2015	ADJST	Kari Massa	1,168.42		223,720.81
11/10/2015	ADJST	JoAnn Turnbull	941.40		222,779.41
11/10/2015	ADJST	Joseph Battaglia	277.16		222,502.25
11/10/2015	ADJST	Gerald DaFoe	767.04		221,735.21
11/10/2015	ADJST	David Gourlay	1,016.82		220,718.39
11/12/2015	DEP			4,860.00	225,578.39
11/17/2015		Advantage Electric, LLC	60,250.00		165,328.39
11/17/2015	DEP			1,806.33	167,134.72
11/17/2015	DEP			7,500.00	174,634.72
11/17/2015	036001	Aflac	223.20		174,411.52
11/17/2015	036002	Engineered Protection Systems Inc	123.54		174,287.98
11/17/2015	036003	Johnson Outdoors	390.00		173,897.98
11/17/2015	036004	Kelly Services, Inc.	2,058.27		171,839.71
11/17/2015	036005	Save Carpet USA	1,688.75		170,150.96
11/17/2015	036006	Sondee, Racine & Doren, P.L.C.	112.00		170,038.96

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 From: 11/01/2015 To: 11/30/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
11/17/2015	036007	John DeWeese	72.05		169,966.91
11/17/2015	036008	Housing Authority Accounting	1,234.41		168,732.50
11/17/2015	036009	Astro Building Products, Inc.	47.70		168,684.80
11/17/2015	036010	Sheren Plumbing & Heating	857.23		167,827.57
11/17/2015	036011	Allen Supply	276.78		167,550.79
11/17/2015	036012	NORTHERN FIRE & SAFETY	112.00		167,438.79
11/17/2015	036013	Munson Occupational Health &	262.00		167,176.79
11/17/2015	036014	Sherwin Williams Co.	832.80		166,343.99
11/17/2015	036015	Housing Data Systems	3,910.00		162,433.99
11/17/2015	036016	Grand Traverse Cty. Treasurer	43.98		162,390.01
11/17/2015	036017	Gerald DaFoe	269.68		162,120.33
11/17/2015	036018	City Of Traverse City	275.26		161,845.07
11/17/2015	036019	Nan McKay & Associates Inc	448.00		161,397.07
11/17/2015	036020	Northern Building Supply LLC	145.34		161,251.73
11/17/2015	036021	David Gourlay	137.20		161,114.53
11/17/2015	036022	D & W Mechanical	700.00		160,414.53
11/17/2015	036023	SimplexGrinnell LP	3,068.48		157,346.05
11/17/2015	036024	Alpine Electric Corporation	190.00		157,156.05
11/17/2015	036025	B & T APPLIANCE	25.00		157,131.05
11/17/2015	036026	HD Supply	184.00		156,947.05
11/17/2015	036027	City Of Traverse City	9,514.85		147,432.20
11/17/2015	036028	CBC Innovis, Inc.	6.85		147,425.35
11/17/2015	036029	Republic Services #239	456.58		146,968.77
11/17/2015	036030	Uline	490.76		146,478.01
11/17/2015	036031	Staples Business Advantage	101.89		146,376.12
11/17/2015	036032	Thomas P. Licavoli	570.00		145,806.12
11/17/2015	036033	Grand Traverse Cty. Treasurer	43.98		145,762.14
11/17/2015	036034	Kuhn Rogers PLC	1,159.00		144,603.14
11/17/2015	036035	CynergyComm.net,Inc	6.61		144,596.53
11/17/2015	036036	Great Lakes Business Systems	89.24		144,507.29
11/17/2015	036037	Integrated Payroll Services, Inc.	96.90		144,410.39
11/17/2015	036038	Guardian Medical Monitoring	29.90		144,380.49
11/17/2015	036039	Northern Building Supply LLC	145.34		144,235.15
11/17/2015	036040	Wilmar	348.06		143,887.09
11/17/2015	036041	Safety Net	640.95		143,246.14
11/17/2015	036042	Ace Hardware	29.52		143,216.62
11/17/2015	036043	SAM'S CLUB	645.09		142,571.53
11/17/2015	036044	Mary Jo Waldron, the Estate of M.	145.00		142,426.53
11/17/2015	036045	Don Deering for the Estate of Robert	265.87		142,160.66
11/17/2015	036046	Thomas P. Licavoli	570.00		141,590.66

Traverse City Housing Commission
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 Bank of Northern MI
 From: 11/01/2015 To: 11/30/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
11/17/2015	036047	Lautner Irrigation	175.00		141,415.66
11/17/2015	036048	Twin Bay Glass Inc.	262.48		141,153.18
11/17/2015	036049	A T & T	102.12		141,051.06
11/17/2015	036050	DTE ENERGY	637.89		140,413.17
11/17/2015	036051	Environmental Pest Control	270.00		140,143.17
11/17/2015	036052	Grand Traverse Cty. Treasurer	131.94		140,011.23
11/17/2015	036052	**VOID** Grand Traverse Cty.	(131.94)		140,143.17
11/17/2015	036053	Home Depot Credit Services	504.79		139,638.38
11/18/2015	036039	**VOID** Northern Building Supply	(145.34)		139,783.72
11/23/2015	036054	Mailfinance	299.70		139,484.02
11/23/2015	036055	Mailfinance	299.70		139,184.32
11/23/2015	036056	DTE ENERGY	65.75		139,118.57
11/23/2015	036057	D & W Mechanical	684.66		138,433.91
11/23/2015	036058	John DeWeese	72.05		138,361.86
11/23/2015	036059	JoAnn Turnbull	175.28		138,186.58
11/23/2015	036059	**VOID** JoAnn Turnbull	(175.28)		138,361.86
11/23/2015	036060	JoAnn Turnbull	175.28		138,186.58
11/24/2015	EFT	Principal Life Insurance Co.	9,836.40		128,350.18
11/24/2015	ADJST	Anthony Lentych	2,359.23		125,990.95
11/24/2015	ADJST	Kari Massa	1,168.42		124,822.53
11/24/2015	ADJST	JoAnn Turnbull	941.39		123,881.14
11/24/2015	ADJST	Joseph Battaglia	291.56		123,589.58
11/24/2015	ADJST	Gerald DaFoe	767.05		122,822.53
11/24/2015	ADJST	David Gourlay	975.94		121,846.59
11/27/2015	EFT	Internal Revenue Service	2,248.83		119,597.76
11/30/2015	DEP			626.15	120,223.91
11/30/2015	DEP			17,162.13	137,386.04
Total:			136,664.14	101,320.49	

Traverse City Housing Commission
Check Register Summary Report
 National City - Section 8
 From: 11/01/2015 To: 11/30/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
11/01/2015	EFT			78,998.00	191,124.42
11/01/2015	EFT			7,066.00	198,190.42
11/02/2015	000170	Sandra Aeschliman	190.00		198,000.42
11/02/2015	000170	Jeana Aiken	550.00		197,450.42
11/02/2015	000170	Jack Anderson	868.00		196,582.42
11/02/2015	000170	Ayers Investment Properties LLC	306.00		196,276.42
11/02/2015	000170	Brad Barnes	465.00		195,811.42
11/02/2015	000170	Bay Front Apartments	288.00		195,523.42
11/02/2015	000170	Bay Hill Housing LDHALP	6,024.00		189,499.42
11/02/2015	000170	Bay Hill II Apartments	2,494.00		187,005.42
11/02/2015	000170	WODA Boardman Lake LHDALP	2,647.00		184,358.42
11/02/2015	000170	David & Mary Briggs	388.00		183,970.42
11/02/2015	000170	Irma Jean Brownley	345.00		183,625.42
11/02/2015	000170	Central Lake Townhouses	405.00		183,220.42
11/02/2015	000170	Cherrywood Village Farms, Inc.	2,570.00		180,650.42
11/02/2015	000170	Douglas A. Chichester	600.00		180,050.42
11/02/2015	000170	Jack V. Dean	422.00		179,628.42
11/02/2015	000170	Dmytro Cherkasov	1,079.00		178,549.42
11/02/2015	000170	Shirley Farrell	786.00		177,763.42
11/02/2015	000170	Rent Leelanau, LLC	1,705.00		176,058.42
11/02/2015	000170	Lisa Forbes	539.00		175,519.42
11/02/2015	000170	Steve Forbush	411.00		175,108.42
11/02/2015	000170	Dale E. French	90.00		175,018.42
11/02/2015	000170	French Quarter Apts.	72.00		174,946.42
11/02/2015	000170	G Rentals	735.00		174,211.42
11/02/2015	000170	Michael Glowacki	376.00		173,835.42
11/02/2015	000170	David Grzesiek	373.00		173,462.42
11/02/2015	000170	Habitat for Humanity	95.00		173,367.42
11/02/2015	000170	Harbour Ridge Apts	1,135.00		172,232.42
11/02/2015	000170	Heartwood Enterprises	758.00		171,474.42
11/02/2015	000170	Louis Herman	400.00		171,074.42
11/02/2015	000170	Susan Herman	468.00		170,606.42
11/02/2015	000170	Hillview Terrace	507.00		170,099.42
11/02/2015	000170	HomeStretch	4,646.00		165,453.42
11/02/2015	000170	Caroline Hupp	86.00		165,367.42
11/02/2015	000170	Joseph and Marion Fasel	569.00		164,798.42
11/02/2015	000170	Donna Kalchik	306.00		164,492.42
11/02/2015	000170	Sidney Lammers	716.00		163,776.42
11/02/2015	000170	Legendary Rentals, LLC	485.00		163,291.42
11/02/2015	000170	Jeffrey R. Lenten	643.00		162,648.42

Traverse City Housing Commission
Check Register Summary Report
National City - Section 8
From: 11/01/2015 To: 11/30/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
11/02/2015	000170	John J. Lewis	1,322.00		161,326.42
11/02/2015	000170	Don E. Lint	353.00		160,973.42
11/02/2015	000170	Juan Maldonado	523.00		160,450.42
11/02/2015	000170	Mathews Trust	825.00		159,625.42
11/02/2015	000170	McLain Management	748.00		158,877.42
11/02/2015	000170	James & Tamela Moquin	532.00		158,345.42
11/02/2015	000170	Northwest Michigan Supportive	418.00		157,927.42
11/02/2015	000170	Oak Park Apts	1,766.00		156,161.42
11/02/2015	000170	Oak Terrace Apts	842.00		155,319.42
11/02/2015	000170	Gerald Oliver Revocable Trust	865.00		154,454.42
11/02/2015	000170	Daniel G. Pohlman	696.00		153,758.42
11/02/2015	000170	Douglas L. Porter	399.00		153,359.42
11/02/2015	000170	Putnam Leelanau Farms, LLC	762.00		152,597.42
11/02/2015	000170	Phillip Putney	1,031.00		151,566.42
11/02/2015	000170	Leon M. Quigley	173.00		151,393.42
11/02/2015	000170	Thomas Raven	467.00		150,926.42
11/02/2015	000170	Adele M. Reiter	975.00		149,951.42
11/02/2015	000170	Timothy Rice	429.00		149,522.42
11/02/2015	000170	The Village at Rivers Edge Apartments	241.00		149,281.42
11/02/2015	000170	Robert F. Follett	833.00		148,448.42
11/02/2015	000170	Debra Rushton	116.00		148,332.42
11/02/2015	000170	Sabin Pond Apartments LLC	710.00		147,622.42
11/02/2015	000170	John Sarya	600.00		147,022.42
11/02/2015	000170	Eldon Schaub	389.00		146,633.42
11/02/2015	000170	Gerald Sieggreen	674.00		145,959.42
11/02/2015	000170	SILVER SHORES MHC	143.00		145,816.42
11/02/2015	000170	Douglas & Julia Slack	327.00		145,489.42
11/02/2015	000170	Margaret Anne Slawson	408.00		145,081.42
11/02/2015	000170	22955 Investments LLC	4,926.00		140,155.42
11/02/2015	000170	Carl Sumner	386.00		139,769.42
11/02/2015	000170	Traverse City Property Management	314.00		139,455.42
11/02/2015	000170	Wendy Teagan	456.00		138,999.42
11/02/2015	000170	TOS Holdings, LLC	1,216.00		137,783.42
11/02/2015	000170	Tradewinds Terrace Apts	238.00		137,545.42
11/02/2015	000170	Village Glen Apartments	8,326.00		129,219.42
11/02/2015	000170	Catherine L. Wolfe	502.00		128,717.42
11/02/2015	000170	Woodmere Ridge Apartments LDHA	5,320.00		123,397.42
11/02/2015	000170	Theodore V. Zachman	692.00		122,705.42
11/02/2015	000170	Ann Zenner	443.00		122,262.42
11/02/2015	000170	Barb Zupin	1,513.00		120,749.42

Traverse City Housing Commission
Check Register Summary Report
National City - Section 8
From: 11/01/2015 To: 11/30/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
11/04/2015	022833	**VOID** DTE ENERGY	(365.00)		121,114.42
11/04/2015	022834	DTE ENERGY	174.00		120,940.42
11/17/2015	022835	Blarney Castle Oil Co.	58.00		120,882.42
11/17/2015	022836	Cherryland Electric Cooperative	217.00		120,665.42
11/17/2015	022837	City Of Traverse City	178.00		120,487.42
11/17/2015	022838	Consumers Energy	41.00		120,446.42
11/17/2015	022839	DTE ENERGY	287.00		120,159.42
11/17/2015	022840	Holtons LP Gas Fife Lake	231.00		119,928.42
11/17/2015	022841	Jeannine Hooper	50.00		119,878.42
11/17/2015	022842	Chase Bank	417.48		119,460.94
11/17/2015	022843	Chase Bank	510.21		118,950.73
11/17/2015	022844	Traverse City Housing Commission	11,397.36		107,553.37
Total:			90,637.05	86,064.00	

Traverse City Housing Commission
Check Register Summary Report
 Bank of Northern MI
 From: 12/01/2015 To: 12/11/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
12/04/2015	DEP			25,864.04	163,250.08
12/07/2015	DEP			10,678.50	173,928.58
12/08/2015	ADJST	Anthony Lentych	2,359.25		171,569.33
12/08/2015	ADJST	Kari Massa	1,168.41		170,400.92
12/08/2015	ADJST	JoAnn Turnbull	941.41		169,459.51
12/08/2015	ADJST	Joseph Battaglia	353.82		169,105.69
12/08/2015	ADJST	Gerald DaFoe	806.78		168,298.91
12/08/2015		Gerald DaFoe	94.30		168,204.61
12/08/2015		Housing Data Systems	334.85		167,869.76
12/08/2015		Great Lakes Business Systems	61.40		167,808.36
12/08/2015		Kuhn Rogers PLC	1,404.20		166,404.16
12/08/2015		Advantage Electric, LLC	25,000.00		141,404.16
12/08/2015		Aflac	223.20		141,180.96
12/08/2015		Ace Hardware	21.23		141,159.73
12/08/2015		David Gourlay	140.41		141,019.32
12/08/2015		Integrated Payroll Services, Inc.	96.90		140,922.42
12/08/2015		Northern Michigan Glass	212.00		140,710.42
12/08/2015		City Of Traverse City	275.26		140,435.16
12/08/2015		Traverse City Record Eagle	1,493.75		138,941.41
12/08/2015		R.W. Popp Excavating, Inc.	60.00		138,881.41
12/08/2015		Snap! Quick Print	162.70		138,718.71
12/08/2015		Housing Authority Accounting	1,099.41		137,619.30
12/08/2015		All American Investment Group	8,500.00		129,119.30
12/08/2015		Safety Net	180.00		128,939.30
12/08/2015		Traverse City Area Chamber of	150.00		128,789.30
12/08/2015		Kelly Services, Inc.	1,817.92		126,971.38
12/08/2015		Grahm Motor & Generator Service	22.81		126,948.57
12/08/2015	036063	Staples Business Advantage	68.43		126,880.14
12/08/2015	036064	Palma Richardson	125.00		126,755.14
12/08/2015	036065	Elmer's	75.00		126,680.14
12/08/2015	036066	NORTHERN FIRE & SAFETY	20.00		126,660.14
12/08/2015	036067	A T & T	167.93		126,492.21
12/08/2015	036068	City Of Traverse City	207.72		126,284.49
12/08/2015	036069	Verizon Wireless	99.95		126,184.54
12/08/2015	036070	Charter Communications	2,886.15		123,298.39
12/08/2015	036071	NORTHWESTERN MICHIGAN	588.00		122,710.39
12/08/2015	036072	NORTHWESTERN MICHIGAN	588.00		122,122.39
12/08/2015	036073	Spectrum Business	196.29		121,926.10
12/08/2015	036074	Priority Health	5,951.00		115,975.10
12/08/2015	036075	HD Supply	497.99		115,477.11

Traverse City Housing Commission
Check Register Summary Report
Bank of Northern MI
From: 12/01/2015 To: 12/11/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
12/08/2015	036075	**VOID** HD Supply	(497.99)		115,975.10
12/08/2015	036076	Ace Welding & Machine Inc	181.19		115,793.91
12/08/2015	036077	Allen Supply	197.50		115,596.41
12/08/2015	036078	Wilmar	373.03		115,223.38
12/09/2015		Grand Traverse Cty. Treasurer	43.98		115,179.40
12/09/2015		Traverse City Housing Commission	7,500.00		107,679.40
12/09/2015	036061	City Of Traverse City	47.00		107,632.40
12/09/2015	036062	DTE ENERGY	45.00		107,587.40
Total:			66,341.18	36,542.54	

Traverse City Housing Commission
Check Register Summary Report
National City - Section 8
From: 12/01/2015 To: 12/11/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
12/01/2015	000171	Sandra Aeschliman	190.00		107,363.37
12/01/2015	000171	Jeana Aiken	579.00		106,784.37
12/01/2015	000171	Jack Anderson	848.00		105,936.37
12/01/2015	000171	Ayers Investment Properties LLC	306.00		105,630.37
12/01/2015	000171	Brad Barnes	465.00		105,165.37
12/01/2015	000171	Bay Front Apartments	288.00		104,877.37
12/01/2015	000171	Bay Hill Apartments	1,066.00		103,811.37
12/01/2015	000171	Bay Hill Housing LDHALP	5,876.00		97,935.37
12/01/2015	000171	Bay Hill II Apartments	5,470.00		92,465.37
12/01/2015	000171	Bay Management	942.00		91,523.37
12/01/2015	000171	WODA Boardman Lake LHDALP	2,450.00		89,073.37
12/01/2015	000171	David & Mary Briggs	388.00		88,685.37
12/01/2015	000171	Irma Jean Brownley	345.00		88,340.37
12/01/2015	000171	Central Lake Townhouses	405.00		87,935.37
12/01/2015	000171	Cherrywood Village Farms, Inc.	2,570.00		85,365.37
12/01/2015	000171	Douglas A. Chichester	600.00		84,765.37
12/01/2015	000171	Jack V. Dean	422.00		84,343.37
12/01/2015	000171	Dmytro Cherkasov	1,079.00		83,264.37
12/01/2015	000171	Shirley Farrell	786.00		82,478.37
12/01/2015	000171	Rent Leelanau, LLC	1,456.00		81,022.37
12/01/2015	000171	Lisa Forbes	539.00		80,483.37
12/01/2015	000171	Steve Forbush	411.00		80,072.37
12/01/2015	000171	Dale E. French	90.00		79,982.37
12/01/2015	000171	French Quarter Apts.	72.00		79,910.37
12/01/2015	000171	G Rentals	735.00		79,175.37
12/01/2015	000171	Michael Glowacki	358.00		78,817.37
12/01/2015	000171	David Grzesiek	373.00		78,444.37
12/01/2015	000171	Habitat for Humanity	95.00		78,349.37
12/01/2015	000171	Harbour Ridge Apts	1,217.00		77,132.37
12/01/2015	000171	Heartwood Enterprises	758.00		76,374.37
12/01/2015	000171	Louis Herman	400.00		75,974.37
12/01/2015	000171	Susan Herman	468.00		75,506.37
12/01/2015	000171	Hillview Terrace	507.00		74,999.37
12/01/2015	000171	Josh Hollister	741.00		74,258.37
12/01/2015	000171	HomeStretch	3,104.00		71,154.37
12/01/2015	000171	Caroline Hupp	86.00		71,068.37
12/01/2015	000171	Joseph and Marion Fasel	569.00		70,499.37
12/01/2015	000171	Donna Kalchik	306.00		70,193.37
12/01/2015	000171	Sidney Lammers	710.00		69,483.37
12/01/2015	000171	Legendary Rentals, LLC	291.00		69,192.37

Traverse City Housing Commission
Check Register Summary Report
National City - Section 8
From: 12/01/2015 To: 12/11/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
12/01/2015	000171	Jeffrey R. Lenten	643.00		68,549.37
12/01/2015	000171	John J. Lewis	872.00		67,677.37
12/01/2015	000171	Don E. Lint	353.00		67,324.37
12/01/2015	000171	Juan Maldonado	523.00		66,801.37
12/01/2015	000171	Mathews Trust	825.00		65,976.37
12/01/2015	000171	McLain Management	748.00		65,228.37
12/01/2015	000171	James & Tamela Moquin	509.00		64,719.37
12/01/2015	000171	Northwest Michigan Supportive	418.00		64,301.37
12/01/2015	000171	Oak Park Apts	1,964.00		62,337.37
12/01/2015	000171	Oak Terrace Apts	842.00		61,495.37
12/01/2015	000171	Gerald Oliver Revocable Trust	865.00		60,630.37
12/01/2015	000171	Daniel G. Pohlman	696.00		59,934.37
12/01/2015	000171	Douglas L. Porter	399.00		59,535.37
12/01/2015	000171	Putnam Leelanau Farms, LLC	762.00		58,773.37
12/01/2015	000171	Phillip Putney	1,098.00		57,675.37
12/01/2015	000171	Leon M. Quigley	173.00		57,502.37
12/01/2015	000171	Thomas Raven	506.00		56,996.37
12/01/2015	000171	Adele M. Reiter	975.00		56,021.37
12/01/2015	000171	Timothy Rice	429.00		55,592.37
12/01/2015	000171	The Village at Rivers Edge Apartments	241.00		55,351.37
12/01/2015	000171	Robert F. Follett	833.00		54,518.37
12/01/2015	000171	Debra Rushton	116.00		54,402.37
12/01/2015	000171	Sabin Pond Apartments LLC	710.00		53,692.37
12/01/2015	000171	John Sarya	600.00		53,092.37
12/01/2015	000171	Eldon Schaub	389.00		52,703.37
12/01/2015	000171	Gerald Sieggreen	674.00		52,029.37
12/01/2015	000171	SILVER SHORES MHC	143.00		51,886.37
12/01/2015	000171	Douglas & Julia Slack	327.00		51,559.37
12/01/2015	000171	Margaret Anne Slawson	408.00		51,151.37
12/01/2015	000171	22955 Investments LLC	4,913.00		46,238.37
12/01/2015	000171	Carl Sumner	386.00		45,852.37
12/01/2015	000171	Traverse City Property Management	314.00		45,538.37
12/01/2015	000171	TCR Investments, LLC	942.00		44,596.37
12/01/2015	000171	Wendy Teagan	456.00		44,140.37
12/01/2015	000171	TOS Holdings, LLC	1,216.00		42,924.37
12/01/2015	000171	Tradewinds Terrace Apts	238.00		42,686.37
12/01/2015	000171	Village Glen Apartments	8,421.00		34,265.37
12/01/2015	000171	Catherine L. Wolfe	524.00		33,741.37
12/01/2015	000171	Woodmere Ridge Apartments LDHA	5,336.00		28,405.37
12/01/2015	000171	Theodore V. Zachman	795.00		27,610.37

Traverse City Housing Commission
Check Register Summary Report
National City - Section 8
From: 12/01/2015 To: 12/11/2015

Date	Ref Num	Payee	Payment	Deposit	Balance
12/01/2015	000171	Ann Zenner	443.00		27,167.37
12/01/2015	000171	Barb Zupin	1,513.00		25,654.37
12/09/2015	000171	**VOID** Bay Management	(942.00)		26,596.37
12/09/2015	022845	Blarney Castle Oil Co.	58.00		26,538.37
12/09/2015	022846	Cherryland Electric Cooperative	133.00		26,405.37
12/09/2015	022847	City Of Traverse City	132.00		26,273.37
12/09/2015	022848	Consumers Energy	172.00		26,101.37
12/09/2015	022849	DTE ENERGY	385.00		25,716.37
12/09/2015	022850	Holtons LP Gas Fife Lake	46.00		25,670.37
12/09/2015	022851	TCR Investments, LLC	942.00		24,728.37
Total:			82,825.00	0.00	

**Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2015**

Units	1 Month Ended	5 Months Ended	YEAR TO DATE	ANNUAL	*OVER/UNDER
135	<u>November 30, 2015</u>	<u>November 30, 2015</u>	<u>BUDGET</u>	<u>BUDGET</u>	
Operating Income					
Rental Income					
3110 - Dwelling Rental	\$ 31,285.93	\$ 155,783.62	\$ 168,750	\$ 405,000	249,216.38
3110.2 - Dwelling Rental-Proj. 2	4,048.00	22,629.00	0	0	(22,629.00)
3120 - Excess Utilities	107.00	322.00	417	1,000	678.00
3190 - Nondwelling Rental	7,089.88	25,810.64	21,458	51,500	25,689.36
Total Rental Income	<u>42,530.81</u>	<u>204,545.26</u>	<u>190,625</u>	<u>457,500</u>	<u>252,954.74</u>
Revenues - HUD PHA Grants					
3401.2 - Operating Subsidy	<u>21,770.00</u>	<u>108,540.00</u>	<u>100,000</u>	<u>240,000</u>	<u>131,460.00</u>
Total HUD PHA Grants	<u>21,770.00</u>	<u>108,540.00</u>	<u>100,000</u>	<u>240,000</u>	<u>131,460.00</u>
Nonrental Income					
3610 - Interest Income-Gen. Fund	218.18	1,012.43	1,500	3,600	2,587.57
3690 - Tenant Income	374.00	1,988.44	2,083	5,000	3,011.56
3690.1 - Non-Tenant Income	1,175.02	9,238.91	11,687	28,000	18,761.09
3690.2 - Tenant Income-Cable	2,490.00	12,350.00	10,896	26,150	13,800.00
Total Nonrental Income	<u>4,257.20</u>	<u>24,589.78</u>	<u>26,146</u>	<u>62,750</u>	<u>38,160.22</u>
Total Operating Income	<u>68,558.01</u>	<u>337,675.04</u>	<u>316,771</u>	<u>760,250</u>	<u>422,574.96</u>
Operating Expenses					
Routine Expense					
Administration					
4110 - Administrative Salaries	7,558.46	40,019.95	54,663	131,190	91,170.05
4120 - Compensated Absences	0.00	0.00	625	1,500	1,500.00
4130 - Legal Expense	1,271.00	1,867.90	3,958	9,500	7,632.10
4140 - Staff Training	0.00	2,379.00	3,125	7,500	5,121.00
4150 - Travel Expense	263.70	617.70	3,125	7,500	6,882.30
4170 - Accounting Fees	517.66	2,655.80	2,708	6,500	3,844.20
4171 - Auditing	0.00	0.00	1,208	2,900	2,900.00
4182 - Employee Benefits - Admin	4,335.41	19,548.25	22,854	54,850	35,301.75
4185 - Telephone	324.10	2,778.69	2,396	5,750	2,971.31
4190.1 - Publications	0.00	0.00	208	500	500.00
4190.2 - Membership Dues and Fees	0.00	872.50	313	750	(122.50)
4190.3 - Admin. Service Contracts	4,363.50	12,748.20	8,125	19,500	6,751.80
4190.4 - Office Supplies	121.70	2,552.03	1,042	2,500	(52.03)
4190.5 - Other Sundry Expense	1,597.22	10,259.18	6,250	15,000	4,740.82
4190.6 - Advertising	0.00	45.00	313	750	705.00
Total Administration	<u>20,352.75</u>	<u>96,344.20</u>	<u>110,913</u>	<u>266,190</u>	<u>169,845.80</u>
Tenant Services					
4220 - Rec., Pub., & Other Services	803.29	2,887.02	6,250	15,000	12,112.98
4221 - Tenant Svcs-Child Care	0.00	0.00	0	0	0.00
4230 - Cable TV-Tenants	3,061.13	14,344.77	13,542	32,500	18,155.23
Total Tenant Services	<u>3,864.42</u>	<u>17,231.79</u>	<u>19,792</u>	<u>47,500</u>	<u>30,268.21</u>

See Accountants' Compilation Report

**Traverse City Housing Commission
Low Rent Public Housing
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2015**

Units	1 Month Ended	5 Months Ended	YEAR TO DATE	ANNUAL	*OVER/UNDER
135	<u>November 30, 2015</u>	<u>November 30, 2015</u>	<u>BUDGET</u>	<u>BUDGET</u>	
Depreciation Expense					
4800 - Depreciation - Current Year	26,910.59	134,552.95	0	0	(134,552.95)
4810 - Loan Fee Amortization Exp.-CFFP	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total Depreciation Expense	26,910.59	134,552.95	0	0	(134,552.95)
Surplus Credits and Charges					
6010 - Prior Year Adj. - Affecting RR	0.00	0.00	0	0	0.00
6020 - Prior Year Adj. Not Affect. RR	0.00	0.00	0	0	0.00
6120 - Gain/Loss - Non Exp Equip	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total Surplus Credits and Char	0.00	0.00	0	0	0.00
Capital Expenditures					
7520 - Replacement of Equipment	0.00	7,270.81	0	0	(7,270.81)
7530 - Rec. Equip. - Not Replaced	0.00	0.00	0	0	0.00
7540 - Betterments and Additions	0.00	17,633.00	0	0	(17,633.00)
7560 - Casualty Losses Capitalized	0.00	0.00	0	0	0.00
7590 - Operating Expenditures-Contra	<u>0.00</u>	<u>(24,903.81)</u>	<u>0</u>	<u>0</u>	<u>24,903.81</u>
Total Capital Expenditures	0.00	0.00	0	0	0.00
GAAP Net Income (Loss)	<u>\$ (25,992.38)</u>	<u>\$ (95,777.19)</u>	<u>\$ (27,695)</u>	<u>\$ (66,470)</u>	<u>\$ 29,307</u>
HUD Net Income (Loss)	<u>\$ 918.21</u>	<u>\$ 13,871.95</u>	<u>\$ (27,695)</u>	<u>\$ (66,470)</u>	<u>\$ (80,342)</u>

See Accountants' Compilation Report

**Traverse City Housing Commission
Section 8 Vouchers
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2015**

Units	1 Month Ended		5 Months Ended		BUDGET	PUM	*OVER/UNDER
	November 30, 2015	PUM	November 30, 2015	PUM			
208							
Operating Income							
3390 - Fraud Recovery Income	\$ 458.00	2.78	\$ 863.00	1.08	\$ 0	0.00	\$ (863.00)
3603 - Number of Unit Months	165.00	(1.00)	798.00	(1.00)	0	0.00	798.00
3604 - Unit Months - Contra	<u>(165.00)</u>	1.00	<u>(798.00)</u>	1.00	<u>0</u>	0.00	<u>(798.00)</u>
Total Oper. Reserve Income	458.00	2.78	863.00	1.08	0	0.00	(863.00)
Revenues - HUD PHA Grants							
3410 - HAP Funding	78,998.00	478.78	411,958.00	516.24	0	0.00	(411,958.00)
3411 - Admin Fee Funding	<u>7,066.00</u>	42.82	<u>35,332.00</u>	44.28	<u>0</u>	0.00	<u>(35,332.00)</u>
Total HUD PHA Grants	86,064.00	521.60	447,290.00	560.51	0	0.00	(447,290.00)
Income Offset HUD A.C.							
Total Offset Income	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
Total Operating Income	<u>86,522.00</u>	524.38	<u>448,153.00</u>	561.60	<u>0</u>	0.00	<u>(448,153.00)</u>
Operating Expenses							
Routine Expense							
Administration							
4110 - Administrative Salaries	2,160.58	13.09	11,330.36	14.20	44,170	0.00	32,839.64
4130 - Legal Expense	0.00	0.00	57.60	0.07	0	0.00	(57.60)
4140 - Staff Training	0.00	0.00	105.00	0.13	2,250	0.00	2,145.00
4150 - Travel Expense	143.18	0.87	335.21	0.42	3,000	0.00	2,664.79
4170 - Accounting Fees	716.75	4.34	3,448.75	4.32	8,130	0.00	4,681.25
4171 - Auditing	0.00	0.00	0.00	0.00	2,400	0.00	2,400.00
4182 - Employee Benefits - Admin	1,217.47	7.38	6,472.99	8.11	0	0.00	(6,472.99)
4185 - Telephone	138.88	0.84	395.11	0.50	1,400	0.00	1,004.89
4190.1 - Publications	0.00	0.00	0.00	0.00	800	0.00	800.00
4190.2 - Membership Dues and Fees	0.00	0.00	305.00	0.38	450	0.00	145.00
4190.3 - Admin. Service Contracts	1,498.45	9.08	2,938.11	3.68	3,160	0.00	221.89
4190.4 - Office Supplies	85.77	0.52	556.93	0.70	1,935	0.00	1,378.07
4190.5 - Other Sundry Expense	<u>542.44</u>	3.29	<u>1,162.19</u>	1.46	<u>5,250</u>	0.00	<u>4,087.81</u>
Total Administration	6,503.52	39.42	27,107.25	33.97	72,945	0.00	45,837.75
General Expense							
Total General Expense	0.00	0.00	0.00	0.00	0	0.00	0.00
Total Routine Expense	6,503.52	39.42	27,107.25	33.97	72,945	0.00	45,837.75

**Traverse City Housing Commission
Section 8 Vouchers
Income & Expense Statement
For the 1 Month and 5 Months Ended November 30, 2015**

Units 208	1 Month Ended		5 Months Ended		BUDGET	PUM	*OVER/UNDER
	November 30, 2015	PUM	November 30, 2015	PUM			
Housing Assistance Payments							
4715.1 - HAP - Occupied Units	72,638.00	440.23	345,083.00	432.43	0	0.00	(345,083.00)
4715.2 - HAP-Vacant Unit	0.00	0.00	5,707.00	7.15	0	0.00	(5,707.00)
4715.3 - HAP - Non-Elderly Disabled	3,943.00	23.90	18,185.00	22.79	0	0.00	(18,185.00)
4715.4 - HAP - Utility Allowances	821.00	4.98	4,808.52	6.03	0	0.00	(4,808.52)
4715.5 - HAP - Fraud Recovery	(458.00)	(2.78)	(863.00)	(1.08)	0	0.00	863.00
4715.6 - HAP - Homeownership	720.00	4.36	4,752.00	5.95	0	0.00	(4,752.00)
4715.9 - HAP - Portable Receiving	140.00	0.85	140.00	0.18	0	0.00	(140.00)
4719 - HAP - FSS Escrow	927.69	5.62	8,677.69	10.87	0	0.00	(8,677.69)
Total HAP Payments	<u>78,731.69</u>	<u>477.16</u>	<u>386,490.21</u>	<u>484.32</u>	<u>0</u>	<u>0.00</u>	<u>(386,490.21)</u>
Depreciation Expense							
4800 - Depreciation - Current Year	0.00	0.00	0.00	0.00	0	0.00	0.00
Total Depreciation Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Surplus Charges & Credits							
Total Surplus CR & Chgs	0.00	0.00	0.00	0.00	0	0.00	0.00
Capital Expenditures							
7520 - Replacement of Equipment	0.00	0.00	2,259.78	2.83	0	0.00	(2,259.78)
7590 - Operating Expenditures-Contra	0.00	0.00	(2,259.78)	(2.83)	0	0.00	2,259.78
Total Capital Expenditures	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
GAAP Net Income (Loss)	<u>\$ 1,286.79</u>	<u>7.80</u>	<u>\$ 34,555.54</u>	<u>43.30</u>	<u>\$ (72,945)</u>	<u>0.00</u>	<u>\$ (107,500.54)</u>

Analysis of HAP Funding-Voucher

5 Months Ended

A.C. Received: NOV. 30, 2015

November 30, 2015

HAP Funding

\$ 411,958.00

A.C. Spent

HAP - Occupied Units	345,083.00
HAP-Vacant Unit	5,707.00
HAP - Non-Elderly Disabled	18,185.00
HAP - Utility Allowances	4,808.52
HAP - Homeownership	4,752.00
HAP - Fraud Recovery	(863.00)
HAP - FSS Escrow	8,677.69

Total Funding Required

386,350.21

Over/(Under) Funding-current fiscal year

\$ 25,607.79

HAP Reserve-prior fiscal years

\$ (19,039.12)

Cumulative Over (Under) Funding-HAP (NRA)

\$ 6,568.67

Memo: Income not including the over (under) funding of HAP

\$ 6,697.25

**Traverse City Housing Commission
Section 8 Vouchers FSS Escrow
Income & Expense Statement**

For the 1 Month and 5 Months Ended November 30, 2015

Units	1 Month Ended		5 Months Ended				
	<u>November 30, 2015</u>	<u>PUM</u>	<u>November 30, 2015</u>	<u>PUM</u>	<u>BUDGET</u>	<u>PUM</u>	<u>*OVER/UNDER</u>
Operating Income							
Total Oper. Reserve Income	0.00	0.00	0.00	0.00	0	0.00	0.00
Revenues - HUD PHA Grants							
3412 - FSS Grant Revenue	<u>5,400.00</u>	0.00	<u>27,795.50</u>	0.00	<u>0</u>	0.00	<u>(27,795.50)</u>
Total HUD PHA Grants	5,400.00	0.00	27,795.50	0.00	0	0.00	(27,795.50)
Income Offset HUD A.C.							
Total Offset Income	<u>0.00</u>	0.00	<u>0.00</u>	0.00	<u>0</u>	0.00	<u>0.00</u>
Total Operating Income	<u>5,400.00</u>	0.00	<u>27,795.50</u>	0.00	<u>0</u>	0.00	<u>(27,795.50)</u>
Operating Expenses							
Routine Expense							
Administration							
4110 - Administrative Salaries	4,199.98	0.00	21,637.97	0.00	60,660	0.00	39,022.03
4182 - Employee Benefits - Admin	<u>2,516.09</u>	0.00	<u>8,408.03</u>	0.00	<u>0</u>	0.00	<u>(8,408.03)</u>
Total Administration	6,716.07	0.00	30,046.00	0.00	60,660	0.00	30,614.00
General Expense							
Total General Expense	0.00	0.00	0.00	0.00	0	0.00	0.00
Total Routine Expense	6,716.07	0.00	30,046.00	0.00	60,660	0.00	30,614.00

**Traverse City Housing Commission
Section 8 Vouchers FSS Escrow
Income & Expense Statement**

For the 1 Month and 5 Months Ended November 30, 2015

Units	1 Month Ended		5 Months Ended				
	<u>November 30, 2015</u>	<u>PUM</u>	<u>November 30, 2015</u>	<u>PUM</u>	<u>BUDGET</u>	<u>PUM</u>	<u>*OVER/UNDER</u>
Housing Assistance Payments							
4715.1 - HAP - Occupied Units	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.2 - HAP-Vacant Unit	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.3 - HAP - Non-Elderly Disabled	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.4 - HAP - Utility Allowances	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.5 - HAP - Fraud Recovery	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.6 - HAP - Homeownership	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.61 - HAP-Homeownership URP	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.8 - HAP - Portable Paying Out	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.81 - HAP - Portable Urp Paying Out	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.9 - HAP - Portable Receiving	0.00	0.00	0.00	0.00	0	0.00	0.00
4715.91 - HAP - Portable Rec. Reimb.	0.00	0.00	0.00	0.00	0	0.00	0.00
4719 - HAP - FSS Escrow	0.00	0.00	0.00	0.00	0	0.00	0.00
4719.1 - FSS Forfeitures	0.00	0.00	0.00	0.00	0	0.00	0.00
Total HAP Payments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Depreciation Expense							
4800 - Depreciation - Current Year	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Total Depreciation Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Surplus Charges & Credits							
6010 - Prior Year Adj. - Affecting RR	0.00	0.00	0.00	0.00	0	0.00	0.00
6020 - Prior Year Adj. Not Affect. RR	0.00	0.00	0.00	0.00	0	0.00	0.00
6120 - Gain/Loss - Non Exp Equip	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Total Surplus CR & Chgs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>
Capital Expenditures							
Total Capital Expenditures	0.00	0.00	0.00	0.00	0	0.00	0.00
GAAP Net Income (Loss)	<u>\$ (1,316.07)</u>	0.00	<u>\$ (2,250.50)</u>	0.00	<u>\$ (60,660)</u>	0.00	<u>\$ (58,409.50)</u>

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: December 15, 2015
TO: All Commissioners of the Traverse City Housing Commission
FROM: Tony Lentych, Executive Director
SUBJECT: Year End Property Disposition Resolution

MESSAGE:

Per the U.S. Department of Housing and Urban Development (HUD) guidelines, TCHC has maintained the appropriate lists of inventory and assets. Normally, TCHC produces a quarterly or annual list of items that need to be removed from inventory lists and have, when appropriate, adjustments made to our recorded assets. This resolution covers all items removed from inventory for the last 6 months which are listed below.

TCHC staff, therefore, recommends adoption of the following:

RESOLUTION FOR PROPERTY DISPOSITION

December 15, 2015

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires local Public Housing Authorities (PHAs) including the Traverse City Housing Commission (TCHC) to track the addition and removal of all property and assets; and

WHEREAS, the attached list of items are no longer considered assets to TCHC; and

WHEREAS, the TCHC concurs in the recommendation of the Executive Director and staff.

NOW, THEREFORE, Be It Resolved by the Traverse City Housing Commission as follows:

The following list of surplus property is approved for removal from official TCHC inventory lists as needed with appropriate adjustments made to recorded assets by December 31, 2015:

1. White Westinghouse Stove (Model KF2 11 KDW) from Apartment No. 106 (Serial number KLM71355)— Damaged/Unrepairable
2. Two Outdoor Black Metal Benches – Warped/Unusable in Intended Form
3. Lenovo 2011 All In One Computer – Obsolete



Traverse City Housing Commission
A Public Housing Authority

COMMITTEE REPORTS

Executive & Governance Committee: November 27, 2015

Meeting Minutes of the Traverse City Housing Commission Executive & Governance Committee November 27, 2015

An Executive & Governance Committee Meeting of the Traverse City Housing Commission was called to order by President Andy Smits at 3:50 p.m.

ROLL CALL

The following Commissioners were present: Kay Serratelli, and Andrew Smits.
Staff: Tony Lentych, Executive Director.

CORRESPONDENCE

No Discussion (see below).

AGENDA

- A. 2016 Board Meeting Schedule: Lentych distributed a draft of the 2016 Meeting Schedule for TCHC Board. He is recommending skipping the July 2016 meeting. Note will be made that June meeting is Annual Meeting, for election of officers. Both a Study Session and a Strategic Plan Review will be scheduled for December. In addition, there was discussion about both timing and location of the monthly Board meetings. This group recommends moving the Board meetings to the Government Center, beginning no later than March, 2016. Lentych to contact Government Center to determine room availability. We may also want to have full Board discussion on timing of the meetings (stay with 8:00 am, or move to something else).
- B. Review of Brenda Quick letter dated November 25, 2015: Lengthy discussion about our response to this letter. The first point of concern is that it is vague and ambiguous. Primarily, there is the question of whether or not Brenda Quick does in fact represent Priscilla Townsend in an attorney/client relationship, and if 'other residents of Riverview Terrace' may also be represented. If this is indeed the case, we cannot talk to these residents on these issues. Also, the Quick letter articulates some opinions, but states no laws regarding those opinions (either Federal or State). Group agreement that Lentych will draft a response to the Quick letter and seek guidance accordingly from our counsel, Ward Kuhn.
- C. Review of Lentych's Conference Call with HUD: Lentych reported on his recent teleconference with a HUD team, to discuss the October 28, 2015 Brenda Quick letter to HUD. He needed more detail on the environmental assessment done by TCHC on both Riverview and Orchardview a couple of years ago. Smits recounted the history of this issue. He had written and obtained a grant for DEQ to do an environmental study on both of these properties, and the results should be on hand in the TCHC offices (very thick reports). The results were discussed in detail, with DEQ representatives present, at a meeting of the (now-disbanded) Housing Committee, approximately late 2012 or early 2013. Shortly thereafter, the previous Executive Director had issued an RFP for a Due Care Plan, but it was not successful. We should investigate the

feasibility of writing our own Due Care Plan, and have it reviewed by DEQ directly. Lentych will locate the 2012 reports in the office, and then further actions will occur.

- D. Consultant Housing Report: Lentych provided copies of the Housing Development Feasibility Analysis, dated November 23, 2015. This is a detailed report summarizing the consultant's work on a proposed housing development in Traverse City. It would involve our involvement in a partnership with NMCAA to build a number of housing units for permanent residents, and have some ADU's available to rent out as well. One plan involves coordination with the City to get ADU permits, which are currently limited to a maximum of 10 per year City-wide.
- E. Gantt Chart: The group did not fill out this document, but Lentych may make a draft of doing so and share at a later time.

ADJOURNMENT

President Smits adjourned the meeting at 6:15 p.m.

Respectfully submitted,

Kay Serratelli &
Tony Lentych, Executive Director



Traverse City Housing Commission
A Public Housing Authority

STAFF & PROGRAM REPORTS

Executive Director's Report

Family Self-Sufficiency (FSS) Program Report

Resident Council Report

EXECUTIVE DIRECTOR'S REPORT

December 15, 2015

BUILDINGS/OCCUPANCY:

Riverview Terrace – One (1) opening this month and a move-in for that unit expected yet this week. The Electric Baseboard Heater replacement project should be completed this month. There have been very few problems with this project.

Orchardview – 100% Occupancy. There was one Eviction Hearing. The judge ruled in our favor but the tenant paid all past due rent, late fees, and court costs within the 14-day notification period. We accepted the payment and allowed the long-term tenant to stay and expect this family to stay current on the rent and improve communications with staff on all issues.

FINANCIAL:

Our Annual Audit Report is a part of the Commission Packet this month. Overall, it was a positive report from the auditors. The Finance & Compliance Committee will meet to discuss the audit and a consultant's report on potential housing project for the Housing Commission.

PROJECTS (This is a list of projects that are on-going or recently completed):

- Office IT: We have moved to the "cloud" and are beginning to move files to the new virtual server.
- Uptown Development: Due to the incredible recent weather, the Uptown Project has finished most of the landscaping on the easement property. We have a list of things to do next spring to satisfy and finalize the overall agreement. Our final landscaping will occur in the spring.
- Orchardview Phase II: Meeting planned with Leelanau County on January 19, 2016.
- Housing Development: Our consultant has delivered a final draft of the report to me and this will be discussed later this week. Also met with Real Estate agent that represents the property.
- Advocacy: Convened a conference call on the MSHDA 2017/18 QAP with specific issues for rural developers.
- Office Management: We received 80 applications for the Receptionist/Intake Specialist position. We have narrowed the field to a 'top ten' but expect to interview 3-5 candidates within the next few weeks.
- Strategic Planning: Spent the month finalizing goals and Gantt Chart. Also working on presentation of the Plan for various audiences.

ACTIVITIES:

Submitted response to the county's RFP for third party administration of their CDBG Homeowner Rehabilitation Program. Our application was denied.

Participated in Housing Solutions Network monthly meeting at Networks Northwest.

Notified by the Federal Home Loan Bank of Indianapolis that I was voted by their Board of Directors for an open seat on their Affordable Housing Program Advisory Board. First meeting will be in January.

Met with Tim Burden and Donald Valentino of CoolLED Inc.

Meeting with City Commissioner, Gary Howe.

Meeting with City Commissioner, Brian Haas on his orientation to our Commission.

Attended final Leelanau Affordable Housing Task Force meeting and spoke about potential next steps for the Task Force after reporting back to the County Commission.

Attended Leelanau Township meeting to defend Housing Choice Voucher program during a discussion for an adoption of PILOT on the old hospital property.

Held several meetings with Riverview Terrace Residents regarding general issues in our community and issues concerning the Riverview Terrace Resident Council.

Participated in a monthly Executive & Governance Committee.

Lunch with new Housing staffer of Goodwill Industries.

Introductory meeting with Comstock Construction of Traverse City.

Attended one Public Housing eviction Court hearing with staff and our attorney.

Was invited to a meeting by Rotary Charities to an informal discussion regarding financing community development and workforce housing in our region with Deborah Kasemeyer, Senior Vice President at Northern Trust in Chicago.

Participated in a committee meeting between the Michigan Engaging in Communities through the Classroom (MECC) and a group of Northwest Michigan Housing Stakeholders. This included representatives from the College, the County and Networks Northwest.

Attended the City Commission's Public Hearing on the Pine Street Housing Project.

Met with representatives of the Opportunity Resource Fund.

Several discussions with our Attorney, Ward Kuhn.

MEDIA:

Worked with Record-Eagle reporter to develop story on the long wait some of our tenant's experience looking for housing in our Housing Choice Voucher Program. Article was on the front page on Sunday, December 6, 2015.

PERSONAL:

Thanksgiving Holiday! Missed some hours due to being ill.

FAMILY SELF-SUFFICIENCY (FSS) PROGRAM REPORT

December 15, 2015

Current SEMAP Status

SEMAP (Section 8 Management Assessment Program) is reporting correct numbers. Currently, the number of FSS participants having open escrow accounts is at 15. Please see attachment.

This places the program in the "High Performer" category.

Program Manager Update

We received notification that our 2015 Family Self Sufficiency grant application was approved for full funding! The documentation that I included with the grant submission proved we indeed served a total of 25-28 participants, which was being questioned due to SEMAP reporting issues. A notification letter to all participants will go out once we receive the official letter from our Congressional representative. Very Exciting!

Enrollment for open slots began this month and will continue through the end of the year. Currently we are reporting 21 participants enrolled and I will be meeting with 8 new HCV clients next week for enrollment.

Status of Participants

Quarterly meetings for current participants are in process and many are showing improvement from the previous meeting. The current job market shows a large need for skilled workers in trade and hospitality jobs. The abundance of employment opportunities is strengthening hope in those who continue to struggle with obtaining/retaining employment just to survive. My goal is to have all participants employed by June 2016 and establishing/increasing escrow accounts.

Graduation!

We have a graduate family this month! They have increased their income and we no longer are assisting them with housing. This change is an automatic graduation from the FSS program per HUD FSS Regulations and the TCHC FSS Action Plan. They were close to completing their goals and anticipated graduating by summer 2016, once the Head of Household completed her accounting degree. I am very excited for them and believe they will continue to thrive and contribute to the community.

Program Coordinating Committee

The PCC quarterly meeting was held this week and was well attended. A new schedule was created for coming meetings to accommodate all members of the committee in hopes of 100% attendance. Many resources were given for various requests from participants and contact information for new connections within various agencies were given to me. The next meeting is scheduled for March 2016 and will include election of officers, meet and greet for new participant committee member, and review of new or exhausted resource requests. Lastly, the "hot topics" of our meeting were affordable housing in the area, the abundance of jobs, and the lack of sufficient affordable childcare.

SEMAP Indicators Report

As of November 30, 2015

Housing Authority: **MI080**
 Housing Authority FYE: **June 30**



Download in Excel Print Page View Entire Report

Current SEMAP Indicator Information

Most Recent SEMAP Indicator Information

**Indicator 9:
Annual
Reexaminations**

**Indicator 10:
Correct Tenant
Rent
Calculations**

**Indicator 11:
Precontract
HQS
Inspections**

**Indicator 12:
Continuing
HQS
Inspections**

**Indicator 13:
Lease-Up**

**Indicator 14:
Family Self-
Sufficiency
Enrollment**

Enrolled	Escrow Balance	Points
80% or more	30% or more	10
60%-79%	30% or more	8
80% or more	Less than 30%	5
Less than 60%	30% or more	5
60%-79%	Less than 30%	3
Less than 60%	Less than 30%	0

Percentages shown in **red** and **bold** result in reduced SEMAP scores.

Number of Mandatory Slots (#)*	Number of Families Enrolled (#)	Percent of Families Enrolled (%)	Number of Families with Progress Report and Escrow Balances (#)	Percent of Families with Progress Report and Escrow Balances (%)
22	21	95	15	83

[+] Families enrolled in Voucher FSS Program

[+] Families completing FSS Contract

* - As reported by the PHA in Indicator 14 (a) from the last SEMAP Certification and confirmed by the Field Office. This number may have decreased as families have graduated from the program. Also data may not include approved exceptions to mandatory slots.

From: FSS [<mailto:FSS@HUD.GOV>]
Sent: Thursday, December 10, 2015 1:44 PM
To: FSS-L@hudlist.hud.gov
Subject: FY 2015 FSS Coordinator Grant Awards

All – I am pleased to provide the attached list of the FY15 FSS awards.

As is required by law, Congressional representatives must be informed three full days prior to any public announcement of a NOFA award. They, at their prerogative, may use this time to inform their constituents of the award. Some of you may have heard from your Congressional representatives already. The Congressional embargo ended on December 7. On December 7, announcements about the FSS awards went out by press release in each region. There will be a national Press Release from HQ later this month. This means that there is no press release on HUD.gov yet, which is where many of you usually go to look for awards.

- Please note that there was NO proration on renewals this year.
- In addition to renewals, some PHAs may have ALSO received funding for Category 2 (increasing from part-time to full-time) and/or Category 3 (new positions).
- We were able to fund all 27 requests for Category 2 and 27 of the 99 positions requested for Category 3.

The official award letters and award execution documents must be hand-signed (all 700 of them) by our Deputy Assistant Secretary. This cannot legally happen until after the Congressional notification period has passed. The documents were sent to the field offices yesterday with instructions that all awards are to be fully executed by December 18th, so be on the lookout for those documents from your field office. They will be asking for a quick turn-around. Some have completed this already this morning.

Congratulations to all awardees.

**U.S. Department of Housing and Urban Development
2015 Family Self-Sufficiency Program**

State	Public Housing Agency	# of Positions	Total Amount	State Total
Alaska				
	Alaska Housing Finance Corporation	4.0	\$ 267,642	
				\$ 267,642
Alabama				
	Housing Authority of The Birmingham District	2.0	\$ 135,214	
	Mobile Housing Board	5.0	\$ 209,062	
	The Housing Authority of The City of Montgomery, Alabama	2.0	\$ 109,801	
	Huntsville Housing Authority	3.0	\$ 171,576	
	Housing Authority of The City of Decatur	1.0	\$ 59,500	
	Auburn Housing Authority	1.0	\$ 60,000	
	Florence Housing Authority	1.0	\$ 52,246	
	Sheffield Housing Authority	1.0	\$ 50,212	
	Tuscaloosa Housing Authority	2.0	\$ 122,000	
	Jefferson County Housing Authority	2.5	\$ 128,119	
	Albertville Housing Authority	0.5	\$ 21,121	
	Bessemer Housing Authority	1.0	\$ 54,742	
	Prichard Housing Authority	2.0	\$ 95,502	
	Alexander City Housing Authority	1.0	\$ 38,773	
				\$ 1,307,868
Arkansas				
	North Little Rock Housing Authority	1.0	\$ 44,295	
	Fort Smith Housing Authority	1.0	\$ 52,025	
	Northwest Regional Housing Authority	1.0	\$ 41,016	
	Pine Bluff Housing Authority	1.5	\$ 86,500	
	Housing Authority of The City of West Memphis	1.0	\$ 44,970	
	Housing Authority of The City of Hot Springs	1.0	\$ 47,073	
	Wynne Housing Authority	1.0	\$ 34,340	
	Housing Authority of Lonoke County	1.0	\$ 37,513	

	Housing Authority of The City of Old Town	0.5	\$	23,972	
	Housing Authority of The City of Brewer	1.0	\$	52,832	
	City of Caribou	1.0	\$	48,729	
	Augusta Housing Authority	0.5	\$	32,484	
	Maine State Housing Authority	1.0	\$	54,031	
					\$ 439,537
Michigan					
	Detroit Housing Commission	4.0	\$	265,500	
	Pontiac Housing Commission	1.0	\$	69,000	
	Saginaw Housing Commission	2.5	\$	136,031	
	Flint Housing Commission	1.0	\$	69,000	
	Plymouth Housing Commission	3.0	\$	133,413	
	Lansing Housing Commission	1.0	\$	69,000	
	Ann Arbor Housing Commission	2.0	\$	138,000	
	Grand Rapids Housing Commission	4.0	\$	262,000	
	Traverse City Housing Commission	1.0	\$	66,970	
	Wyoming Housing Commission	2.0	\$	137,680	
	Westland Housing Commission	1.0	\$	33,069	
	Kent, County of (Inc)	2.0	\$	117,082	
	Michigan State Housing Development Authority	14.0	\$	966,000	
					\$ 2,462,745
Minnesota					
	Public Housing Agency of The City of Saint Paul	1.0	\$	68,680	
	Housing And Redevelopment Authority of Duluth, MN	1.0	\$	65,543	
	Housing And Redevelopment Authority of Virginia, MN	1.0	\$	58,713	
	Brainerd, City Of	1.0	\$	59,000	
	Mankato Economic Development Authority	1.0	\$	53,075	
	Housing Authority of St. Louis Park	1.0	\$	38,391	
	Dakota County Community Development Agency	1.0	\$	24,876	
	Housing & Redevelopment Authority of Clay County	1.0	\$	65,746	
	Scott County Community Development Agency	0.5	\$	22,500	
	Southeastern Minnesota Multi-County HRA	1.0	\$	36,424	

Date: December 10, 2015

Memorandum: Traverse City Housing Commission

The Riverview Terrace Residential Council has finally completed the election of Officers to serve for the year of 2016. The new Slate is as follows:

PRESIDENT: Priscilla Townsend

VICE PRESIDENT: Flint Horton

SECRETARY: Betsy Zeeryp

TREASURER: Council Nomination

SOCIAL COORDINATOR: Betty Osborne

The Installation of the new officers will be at the December 18th. Meeting and invite Board Members and ED to join us.

We thank the Board and ED for our new office which is proving a very positive step and the office staff for all their assistance.

With all that is going on in and around us, we expect this to be a very busy year. As of now sit back and enjoy the Holidays and we wish you all a Very MERRY CHRISTMAS and a Happy and productive NEW YEAR.

James Friend, Departing president



Traverse City Housing Commission
A Public Housing Authority

OLD BUSINESS

2016 Consolidated Budget: Review

2015 – 2020 Strategic Plan: Review & Update

Response from Grand Traverse County for CDBG Homeowner Rehabilitation Program

TRAVERSE CITY HOUSING COMMISSION

CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

	FY 2015 ACTUAL*	FY 2016 BUDGET	NOVEMBER 2015 ACTUAL*	FY 2016 YTD*	% OF BUDGET
OPERATING INCOME					
Property Rents	\$ 420,206.06	\$ 405,000.00	\$ 35,333.93	\$ 190,363.19	47.00%
Investment Interest	3,115.76	3,600.00	218.18	\$ 1,012.43	28.12%
Program Income: HCV	801,679.00	925,000.00	86,522.00	\$ 448,153.00	48.45%
Program Income: FSS	66,127.50	66,000.00	5,400.00	\$ 27,795.82	42.11%
Earned Income	118,755.80	146,500.00	11,235.90	\$ 37,759.42	25.77%
HUD Property Subsidy	250,531.00	240,000.00	21,770.00	\$ 108,540.00	45.23%
CFP / Draw on Surplus	216,024.34	55,000.00	4,379.50	\$ 30,771.44	55.95%
TOTAL OPERATING INCOME	\$ 1,876,439.46	\$ 1,841,100.00	\$ 164,859.51	\$ 844,395.30	45.86%
OPERATING EXPENSES					
Salaries	\$ 134,587.80	218,500.00	13,919.02	\$ 72,988.28	33.40%
Benefits	43,703.38	90,000.00	8,068.97	\$ 34,429.27	38.25%
Compensated Absences	(1,805.55)	(1,500.00)	-	\$ -	0.00%
Legal	6,913.00	9,500.00	1,271.00	\$ 1,925.50	20.27%
Travel / Staff Training	7,862.47	15,000.00	406.88	\$ 3,501.16	23.34%
Accounting / Auditing	20,345.52	21,000.00	1,234.41	\$ 6,104.55	29.07%
General Office Expenses	86,997.61	72,000.00	8,672.06	\$ 34,548.69	47.98%
TOTAL OPERATING EXPENSES	\$ 298,604.23	\$ 424,500.00	\$ 33,572.34	\$ 153,497.45	36.16%
TENANT PROGRAMS & SERVICES					
Recreation, Programs, and Other	\$ 8,571.70	12,500.00	803.29	\$ 2,887.02	23.10%
Cable Television	33,037.34	33,000.00	3,061.13	\$ 14,344.77	43.47%
HAP	854,465.00	840,000.00	78,731.69	\$ 386,490.21	46.01%
TOTAL TENANT PROGS / SERVICES	\$ 896,074.04	\$ 885,500.00	\$ 82,596.11	\$ 403,722.00	45.59%
UTILITIES					
Water	\$ 17,181.40	16,500.00	519.00	\$ 6,910.00	41.88%
Electricity	148,299.11	150,000.00	8,995.85	\$ 38,744.53	25.83%
Gas	16,715.50	15,500.00	743.04	\$ 1,345.67	8.68%
TOTAL UTILITIES	\$ 182,196.01	\$ 182,000.00	\$ 10,257.89	\$ 47,000.20	25.82%
MAINTENANCE / BUILDING OPERATION					
Labor	\$ 86,306.48	85,000.00	5,802.06	\$ 32,014.36	37.66%
Maintenance Benefits	31,533.44	32,500.00	2,996.89	\$ 17,101.02	52.62%
Materials	13,328.43	20,000.00	3,695.69	\$ 6,895.16	34.48%
Contract / CFP Costs	292,289.06	80,000.00	18,559.55	\$ 61,254.69	76.57%
TOTAL ORDINARY MAINTENANCE	\$ 423,457.41	\$ 217,500.00	\$ 31,054.19	\$ 117,265.23	53.92%
GENERAL EXPENSE					
Insurance	\$ 26,225.57	23,600.00	2,361.34	\$ 11,800.96	50.00%
Payment in Lieu of Taxes	22,213.09	18,000.00	1,780.00	\$ 8,900.00	49.44%
Collection Losses	3,511.15	1,350.00	-	\$ -	0.00%
Interest Expense / Other ¹	37,087.94	25,000.00	-	\$ -	0.00%
TOTAL GENERAL EXPENSE	\$ 89,037.75	\$ 67,950.00	\$ 4,141.34	\$ 20,700.96	30.46%
EXTRAORDINARY / CASUALTY					
	\$ 10,675.17	\$ 12,500.00	\$ 2,348.71	\$ 4,736.40	37.89%
TOTAL OPERATING EXPENSES	\$ 1,900,044.61	\$ 1,789,950.00	\$ 163,970.58	\$ 746,922.24	41.73%
NET OPERATING INCOME (LOSS)	\$ (23,605.15)	\$ 51,150.00	\$ 888.93	\$ 97,473.06	
PROPERTY IMPROVEMENTS/EQUIP*	\$ (24,805.70)	\$ (25,000.00)	\$ -	\$ (38,042.22)	
RESIDUAL RECEIPTS (DEFICIT)*	\$ (48,410.85)	\$ 26,150.00	\$ 888.93	\$ 59,430.84	

* Accountant Reviewed

TRAVERSE CITY HOUSING COMMISSION

CONSOLIDATED INCOME AND EXPENSE BUDGET WORKSHEET

	<u>Explanation / Description</u>
<u>OPERATING INCOME</u>	
Property Rents	A total of collected rents from Riverview Terrace and Orchardview properties.
Investment Interest	A total of interest amounts earned.
Program Income: HCV	Housing Choice Voucher program dollars earned.
Program Income: FSS	ROSS funding designated for Resident Self Sufficiency Program.
Earned Income	A total of non-program dollars earned by TCHC.
HUD Property Subsidy	HUD dollars received to assist with rent deficits.
CFP / Draw on Subsidy	A total of Capital Fund Program dollars received plus what is drawn down from Checking Surplus
TOTAL OPERATING INCOME	A total of operating income amounts.
<u>OPERATING EXPENSES</u>	
Salaries	Includes all salaries for Executive Director, Associate Director, Program Manager, Support Staff.
Benefits	Includes all benefits for Executive Director, Associate Director, Program Manager, Support Staff.
Compensated Absences*	Year-end differences between annual leave amounts owed to employees.
Legal	Includes all legal fees for operational issues as well as commission governance issues.
Travel / Staff Training	Includes all conference, continuing education, and training fees plus travel expenses for all staff.
Accounting / Auditing	A total of all third party, contract accounting and auditing expenses.
General Office Expenses	A total of all office expenses including telephone charges, office equipment and supplies, etc.
TOTAL OPERATING EXPENSES	A total of all operating expenses across all program activities.
<u>TENANT PROGRAMS & SERVICES</u>	
Recreation and Other	Resident programming and activities associated with current tenants.
Cable Television	Fees paid to Charter Communications to provide cable television to residents.
HAP	Housing Assistance Payments to landlords in the five county area.
TOTAL TENANT PROGS / SERVICES	A total of all tenant programming and services.
<u>UTILITIES</u>	
Water	Fees paid to Traverse City Light & Power for water and sewer.
Electricity	Fees paid to Traverse City Light & Power for electricity.
Gas	Fees paid to DTE for gas utility.
TOTAL UTILITIES	A total of all utility expenditures.
<u>MAINTENANCE / BUILDING OPERATION</u>	
Labor	Includes all salaries and wages for maintenance team (2.5 persons)
Maintenance Benefits	Includes all benefits for maintenance team (2.5 persons)
Materials	A total of all purchases related to upkeep and maintenance of properties owned by TCHC.
Contract / CFP Costs	A total of all contract maintenance and upkeep costs by third party suppliers on properties owned by TCHC.
TOTAL ORDINARY MAINTENANCE	A total of all ordinary maintenance and building operation expenditures.
<u>GENERAL EXPENSE</u>	
Insurance	A total of all insurance monies paid by TCHC related to all operations.
Payment in Lieu of Taxes	Amount of property taxes paid to the City of Traverse City - adjusted by PILOT ordinance.
Collection Losses	A total amount of losses from rents when residents vacate units owing monies.
Interest Expense / Other ¹	Misc.
TOTAL GENERAL EXPENSE	A total of all general expense expenditures.
<u>EXTRAORDINARY / CASUALTY*</u>	
	A total of unexpected and unbudgeted items plus expenses reimbursed from insurance proceeds.
TOTAL OPERATING EXPENSES	A grand total of all expenses.
NET OPERATING INCOME (LOSS)	This amount reflects total income over total expenses.
<u>PROPERTY IMPROVEMENTS/EQUIP*</u>	
	A total of all property and equipment purchased above \$1,500 capitalization threshold - plus all appliances.
	This category utilizes prior year(s) receipts of funding.
RESIDUAL RECEIPTS (DEFICIT)*	Final amounts to be determined by accountants.

* Accountant Reviewed

**TCHC MONTHLY CASH POSITION REPORT
END OF NOVEMBER 2015**

PUBLIC HOUSING

Chemical Bank	Checking	\$	175,493.09	
Members Credit Union	Savings	\$	6,542.57	
Chemical Bank	520011210	\$	100,991.32	
Traverse City State Bank	1051647	\$	161,116.43	
Traverse City State Bank	53691	\$	42,478.13	
First Merit Bank	4535723359	\$	162,247.04	
Traverse City State Bank	ICS Acct	\$	75,326.77	
Bank of Holland	1075909	\$	25,122.85	
Bank of Northern Michigan	9426	\$	10,018.51	
First Merit Bank	4532078534	\$	26,830.66	
Members Credit Union	CD 16525-S100	\$	30,605.61	Certificate of Deposit
Bank of Northern Michigan	CD 806592	\$	51,194.69	Certificate of Deposit
SUB TOTAL		\$	867,967.67	

HOUSING CHOICE VOUCHER

PNC Bank	Checking	\$	131,822.98	
Chase Bank	135080088317	\$	61,255.11	Escrow Account
SUB TOTAL		\$	193,078.09	

OTHER

HUD Held Reserves*		\$	554,397.00	Restricted
SUB TOTAL		\$	554,397.00	

TOTAL Cash & Cash Equivalents **\$ 1,615,442.76**

* as of June 30, 2015



Traverse City Housing Commission
A Public Housing Authority

**HOLD FOR
STRATEGIC PLAN**

Tony Lentych

From: Jean Derenzy <jderenzy@grandtraverse.org>
Sent: Wednesday, December 9, 2015 1:14 PM
To: Tony Lentych
Subject: Third Party Administrator

Tony,

The Land Bank Authority approved entering into a contract for Third Party Administrator work with Northwest Michigan Community Action Agency (NMCAA). With third party administrator work that NMCAA currently performs in other jurisdictions, along with their programs that are non-MSHDA was the primary factor in selecting the third party administrator.

I appreciate your time and consideration to respond to our request for proposal.

Jean

Jean Derenzy, Deputy Director

Grand Traverse County Planning & Development

400 Boardman Avenue,
Traverse City, MI 49684

Phone: 231-922-4513

Cell: 231-342-7849

Fax: 231-922-4636



www.grandtraverse.org/planning

Land Bank Authority

FROM: Jean Derenzy

FOR MEETING DATE: December 9, 2015

SUBJECT: Third Party Administrator for Targeted Home Ownership Grant

SUMMARY OF ITEM TO BE PRESENTED:

Request for Proposals were sought to administer the County's Targeted Homeowner Rehabilitation Program. Grand Traverse County received a \$295,000 grant in 2015. This grant has not been implemented as priority was to 1) close out current grant to be compliant. 2) Limited staff resources to open up grant, advertise and properly administer.

Two proposals were received being from Traverse City Housing Commission (TCHC) and Northwest Michigan Community Action Agency (NMCAA). Both agencies are qualified with NMCAA having additional strength of implementing surrounding County's MSHDA grants. The added benefit of NMCAA is:

- HUD Certified Housing Counseling Agency
- Neighborworks America Affiliate
- Foreclosure Prevention
- Staff Capacity, including contractors.

The cost to administer this grant would be from program income realized by implementing the grant---therefore no cost to the County.

Traverse City Housing Commission previously administered the housing program for Grand Traverse County with positive results. However based on the strength of NMCAA administering other County programs, the additional programs they administer to help homeowners, recommendation is to contract with Northwest Michigan Community Action Agency as the third party administrator for the County's Targeted Grant.

RECOMMENDATION: Approval to enter into contract with Northwest Michigan Community Action Agency as a third party administrator for Grand Traverse County's MSHDA Targeted Homeowner Grant. Further, that recommendation be sent to the Grand Traverse County Board of Commissioners for concurrence.



Traverse City Housing Commission
A Public Housing Authority

NEW BUSINESS

Fiscal Year 2015 Annual Audit

2016 Calendar of Meetings

Disbursement of Escrow Funds to FSS Program Graduate



SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

THOMAS J. SMITH, CPA
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ROBERT R. KLACZKIEWICZ, CPA
(989)751-3064

A VETERAN OWNED BUSINESS

December 3, 2015

To the Board of Commissioners
Traverse City Housing Commission

We have audited the financial statements of the business-type activities of the *Traverse City Housing Commission* for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 19, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the *Traverse City Housing Commission* are described in Note A to the financial statements. As described in Note A to the financial statements, the *Traverse City Housing Commission* adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Except for the effects of implementing GASB Statement No. 68, no new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2015. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the *Traverse City Housing Commission's* financial statements were:

Management's estimate of the useful lives of depreciable assets is based on the length of time it is believed that those assets will provide some economic benefit in the future. We evaluated the key factors and assumptions used to develop the useful lives of those assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accrued compensated absences is based on current vested hours in employee banks, current hourly rates and policies regarding payment of accrued compensated absences upon separation from employment. We evaluated the key factors and assumptions used to develop the estimate in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the *Traverse City Housing Commission's* financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the *Traverse City Housing Commission's* auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the financial data schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the *Traverse City Housing Commission* and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Smith + Klaczynski PC

Saginaw, Michigan



TRAVERSE CITY HOUSING COMMISSION

(A Component Unit of the City of Traverse City, Michigan)

Financial Statements
(With Supplementary Information)

For the Year Ended June 30, 2015

SK

SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

Traverse City Housing Commission

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements for the Year Ended June 30, 2015	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Fund Net Position	11
Statement of Cash Flows	12
Notes to Financial Statements	13-20
Other Supplementary Information	
Financial Data Schedules	21-27
Single Audit	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28-29
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	30-31
Schedule of Expenditures of Federal Awards	32
Schedule of Findings and Questioned Costs	33-34



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A VETERAN OWNED BUSINESS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Traverse City Housing Commission
Traverse City, MI

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the *Traverse City Housing Commission*, a component unit of the City of Traverse City, Michigan, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the *Traverse City Housing Commission*, as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *Traverse City Housing Commission's* basic financial statements. The financial data schedules and schedule of federal expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The financial data schedules 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the *Traverse City Housing Commission's* control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 *Traverse City Housing Commission's* internal control over financial reporting and compliance.

Change in Accounting Principle

As described in Note A to the financial statements, the *Traverse City Housing Commission* adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinions are not modified with respect to this matter.

Smith + Klayhewig PC

Saginaw, Michigan
December 3, 2015

Traverse City Housing Commission
Management's Discussion and Analysis (MD&A)
For the Year Ended June 30, 2015

As management of the Traverse City Housing Commission we offer readers of this audit report this management's discussion and analysis of the Traverse City Housing Commission's financial activities for the fiscal year ended June 30, 2015. This discussion and analysis of the Traverse City Housing Commission's financial performance should be read in conjunction with the auditor's report and the following financial statements.

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

FINANCIAL HIGHLIGHTS

The term "net position" refers to the difference between assets and liabilities. The Housing Commission's total net position as of June 30, 2015 was \$2,504,357. The net position decreased by \$216,109, or 7.9% from the prior year.

Revenues and contributions for the Housing Commission were \$1,793,699 for the fiscal year ended June 30, 2015. This was a decrease of \$79,683 or 4.3% from the prior year.

Expenses for the Housing Commission were \$2,009,808 for the fiscal year ended June 30, 2015. This was a decrease of \$66,515 or 3.2% from the prior year.

HUD operating grants were \$1,136,513 for the fiscal year ended June 30, 2015. This was a decrease of \$88,494 or 7.2% from the prior year. Capital contributions were \$112,515 for the fiscal year ended June 30, 2015. This was an increase of \$44,693 or 65.9% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains this *Management's & Discussion Analysis*, 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 titled *Other Supplementary Information*. The Housing Commission's financial statements are presented as fund financial statements because the Housing Commission only has a proprietary fund.

Required Financial Statements

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

Traverse City Housing Commission

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2015

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 Housing Commission's operations over the past year and can be used to determine whether the Housing Commission 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.

Other Supplementary Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Other Supplementary Information*. HUD has established Uniform Financial Reporting Standards that require Housing Commissions to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) and is required to be included in the audit reporting package.

The Financial Data Schedule reports the Housing Commission's operations in more detail. The Housing Commission reports all its activities using Enterprise fund types. These funds are used to show activities that operate more like commercial enterprises.

FINANCIAL ANALYSIS

Over time, changes in net position may serve as a useful indicator of a government's financial position. As stated in the following table, assets exceeded liabilities by \$2,504,357 at the close of the fiscal year ended June 30, 2015 a decrease from \$2,720,466 in 2014. The decrease in net position of \$216,109 was primarily attributed to depreciation on capital assets.

The unrestricted net position was \$888,341 as of June 30, 2015. This amount may be used to meet the Housing Commission's ongoing obligations. The Housing Commission had net position classified as restricted in the amount of \$26,825 that are subject to external restrictions on how they may be used. The amount of restricted net position is restricted for unspent loan proceeds. At the end of the current fiscal year, the Housing Commission is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

Traverse City Housing Commission
Management's Discussion and Analysis (MD&A)
For the Year Ended June 30, 2015

	<u>Business-type Activities</u>	
	<u>2014</u>	<u>2015</u>
Current and other assets	\$ 1,085,394	\$ 1,074,533
Capital assets not being depreciated	297,665	297,665
Capital assets being depreciated, net	<u>2,259,288</u>	<u>2,020,070</u>
Total assets	<u>3,642,347</u>	<u>3,392,268</u>
Liabilities, current	178,146	204,894
Liabilities, noncurrent	<u>743,735</u>	<u>683,017</u>
Total liabilities	<u>921,881</u>	<u>887,911</u>
Net position		
Net investment in capital assets	1,779,143	1,589,191
Restricted	140,499	26,825
Unrestricted	<u>800,824</u>	<u>888,341</u>
Total net position	<u>\$ 2,720,466</u>	<u>\$ 2,504,357</u>

The decrease in current assets of \$250,079 was due in large part to a decrease in the balance of capital assets.

The decrease in liabilities of \$33,970 was due in large part to the required debt payments.

The largest portion of the Housing Commission's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation, net of related debt. The Housing Commission uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending. Part of the balance of net position is restricted for funding received from that may only be expended for the Housing Choice Program.

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

Traverse City Housing Commission
Management's Discussion and Analysis (MD&A)
For the Year Ended June 30, 2015

	2014	2015
Revenues:		
Program revenues:		
Charges for services-tenant rent	\$ 403,026	\$ 421,402
Program grants and subsidies	1,225,007	1,136,513
Capital grants	67,822	112,515
General revenues:		
Other revenue	174,572	120,153
Interest earned on deposits	2,955	3,116
Total revenues	1,873,382	1,793,699
 Expenses – housing program	 2,076,323	 2,009,808
 Increase (decrease) in net position	 (202,941)	 (216,109)
 Net position – beginning of the year	 2,923,407	 2,720,466
 Net position – end of the year	 \$ 2,720,466	 \$ 2,504,357

Revenues:

As shown in the above table, total revenues decreased by \$79,683, due in part to a decrease in Section 8 grant revenue and revenue received from tenants for various services.

Expenses:

Total expenses for the fiscal year ended June 30, 2015 were \$2,009,808 while for the fiscal year ended June 30, 2014 they were \$2,076,323. This represents a 3.2% decrease in our operating costs.

CAPITAL ASSETS

The Traverse City Housing Commission's investment in capital assets, net of related debt as of June 30, 2015 amounts to \$1,589,191. This investment in capital assets includes land, buildings, improvements, and equipment.

Traverse City Housing Commission
Management's Discussion and Analysis (MD&A)
For the Year Ended June 30, 2015

	2014	2015
Capital assets not being depreciated		
Land	\$ 297,665	\$ 297,665
Capital assets being depreciated		
Buildings and improvements	7,738,745	7,809,547
Furniture, equipment and machinery – dwelling	94,249	95,049
Furniture, equipment and machinery – administration	218,659	229,318
Subtotal	8,051,653	8,133,914
Total capital assets	8,349,318	8,431,579
Less: accumulated depreciation	(5,792,365)	(6,113,844)
Total net capital assets	\$ 2,556,953	\$ 2,317,735

Capital assets, net of accumulated depreciation decreased by \$239,218, because the replacement of capital assets did not exceed depreciation expense.

Additional information regarding the Housing Commission's capital assets is presented in the footnotes to the financial statements.

DEBT ACTIVITY

As of the year ended June 30, 2015, the Housing Commission had \$728,544 in long-term debt outstanding compared to \$777,810 in the prior year. The decrease is a result of the Housing Commission making its required debt service payments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Housing Commission is primarily dependent upon HUD for the funding of operations as well as capital needs. Therefore, the Housing Commission is affected more by the Federal Budget than by local economic conditions. The funding of programs could be significantly affected by the Federal Budget.

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

In 2015 the Traverse City Housing Commission will be replacing the heating units in the apartments of Riverview Terrace. Funding will be from the 2014 Capital Fund Program.

In light of the decrease in rent subsidy and Section 8 HCV Administrative Fees, the TCHC will continue their efforts to house as many participants as they can, within the authorized budget authority and decrease expenses for all programs when possible.

Traverse City Housing Commission
Management's Discussion and Analysis (MD&A)
For the Year Ended June 30, 2015

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Commission's finances for all those with an interest in its finances. Questions or comments concerning any of the information contained in this report or request for additional information should be directed to:

Tony Lentych, Executive Director
150 Pine Street
Traverse City, Michigan 49684

Traverse City Housing Commission
Statement of Net Position
June 30, 2015

Current assets	
Cash and cash equivalents	\$ 830,921
Cash and cash equivalents - restricted	78,551
Cash - tenant security deposits	34,729
Investments	81,532
Accounts receivable, net	25,008
Prepaid expenses	23,792
	<u>1,074,533</u>
Noncurrent assets	
Capital assets:	
Nondepreciable	297,665
Depreciable	8,133,914
Less: accumulated depreciation	<u>(6,113,844)</u>
Net capital assets	<u>2,317,735</u>
Total assets	<u>3,392,268</u>
Current liabilities	
Accounts payable	18,068
Due to other governmental units	22,213
Accrued liabilities	15,589
Tenant security deposits	34,729
Unearned revenue	3,481
Current portion of long term debt	52,628
Accrued compensated absences, current portion	6,460
Other current liabilities (payable from restricted assets)	51,726
	<u>204,894</u>
Noncurrent liabilities	
Long-term debt	675,916
Accrued compensated absences	7,101
	<u>683,017</u>
Total liabilities	<u>887,911</u>
Net position	
Net investment in capital assets	1,589,191
Restricted	26,825
Unrestricted	888,341
	<u>888,341</u>
Total net position	<u>\$ 2,504,357</u>

The accompanying notes are an integral part of these financial statements.

Traverse City Housing Commission
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2015

Operating revenues	
Tenant revenue	\$ 421,402
Program grants - subsidies	1,136,513
Other revenue	<u>117,849</u>
Total operating revenues	<u>1,675,764</u>
 Operating expenses	
Administration	299,559
Tenant services	41,609
Utilities	182,196
Maintenance	218,108
Insurance	26,226
General	24,848
Housing assistance payments	855,907
Depreciation	<u>324,267</u>
Total operating expenses	<u>1,972,720</u>
Operating income (loss)	<u>(296,956)</u>
 Nonoperating revenues and (expenses)	
Interest revenue - unrestricted	3,116
Fraud recovery	2,304
Interest expense	<u>(37,088)</u>
Total nonoperating revenues and (expenses)	<u>(31,668)</u>
Income (loss) before contributions	(328,624)
Capital contributions	<u>112,515</u>
Change in net position	(216,109)
Net position - Beginning of year	<u>2,720,466</u>
Net position - End of year	<u><u>\$ 2,504,357</u></u>

The accompanying notes are an integral part of these financial statements.

Traverse City Housing Commission
Statement of Cash Flows
For the Year Ended June 30, 2015

Cash flows from operating activities	
Cash received from customers	\$ 517,777
Cash received from grants and subsidies	1,136,513
Cash payments to suppliers for goods and services	(1,242,791)
Cash payments for wages and related benefits	(321,144)
Net cash provided by (used in) operating activities	90,355
Cash flows from capital and related financing activities	
Capital grants	112,515
Acquisition of capital assets	(85,049)
Interest paid on debt	(37,088)
Principal paid on debt	(49,266)
Net cash provided by (used in) capital and related financing activities	(58,888)
Cash flows from noncapital and related financing activities	
Fraud recovery	2,304
Cash flows from investing activities	
Purchase of investments	(760)
Investment income	3,116
Net cash provided by (used in) investing activities	2,356
Net increase (decrease) in cash and cash equivalents	36,127
Cash and cash equivalents - beginning of year	908,074
Cash and cash equivalents - end of year	\$ 944,201
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (296,956)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	324,267
Changes in assets and liabilities	
Decrease (increase) in receivables	(21,786)
Decrease (increase) in prepaid expenses	69,534
Increase (decrease) in accounts payable	7,050
Increase (decrease) in accrued liabilities	7,934
Increase (decrease) in tenant security deposits	2,298
Increase (decrease) in unearned revenue	(1,986)
Net cash provided by (used in) operating activities	\$ 90,355
Reconciliation of cash and cash equivalents per the Statement of Net Position to the Statement of Cash Flows	
Cash and cash equivalents	\$ 830,921
Cash and cash equivalents - restricted	78,551
Cash - tenant security deposits	34,729
Cash and cash equivalents - end of year	\$ 944,201

The accompanying notes are an integral part of these financial statements.

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the *Traverse City Housing Commission* (the “*Housing Commission*”) conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental entities.

The Housing Commission reports as a business-type activity, as defined by the Governmental Accounting Standards Board Statement No. 34, with programs and projects.

Reporting Entity

The *Traverse City Housing Commission* was formed by the Commission of the City of Traverse City, Michigan under Public Act 18 of 1933 of the State of Michigan. The Housing Commission operates under a Board of Commissioners appointed by the City Mayor. Members of the Housing Commission Board may be removed by the City only for cause. The Housing Commission determines its own budget (subject to federal approval), sets rental rates and may issue debt in its own name. The City is not responsible for deficits or liabilities of the Housing Commission. However, the Housing Commission makes annual payments “in lieu of taxes” to the City. Therefore, a financial benefit exists for the City, thereby requiring that the *Traverse City Housing Commission* be reported as a discrete component unit of the City of Traverse City, Michigan.

The Housing Commission’s financial reporting entity is comprised of the special purpose government. In determining the financial reporting entity, the Housing Commission complies with the provisions of GASB Statement No. 14, as amended by GASB Statement No. 39, “*The Financial Reporting Entity*” and includes all component units, if any, of which the Housing Commission appoints a voting majority of the units’ Board; the Housing Commission is either able to impose its will on the unit or a financial benefit or burden relationship exists. There are no agencies, organizations or activities that meet the criteria.

These financial statements include all activities of the Housing Commission, which include a Low Income Housing Program (136 units) and Section 8 Vouchers (208 units). These programs receive subsidies and annual contributions from the U.S. Department of Housing and Urban Development (“HUD”).

Measurement Focus and Basis of Presentation

The economic resources measurement focus and the accrual basis of accounting are used in preparing the financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Housing Commission are federal grants and charges to

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

customers for services. Operating expenses include housing assistance payments, administrative expenses, tenant services, utilities, maintenance, insurance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Following is a description of the Housing Commission's programs:

Project MI080000001 accounts for the revenue and related operations of the Public and Indian Housing grant and the Capital Fund Program.

14.871 Section 8 Housing Choice Vouchers Programs, accounts for the revenue and related operations of the Section 8 vouchers grant program.

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

Assets, Liabilities and Equity

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in demand and time deposit accounts, money market deposits and certificates of deposits with original maturities of less than 90 days.

Cash and cash equivalents – restricted on the Statement of Net Position has been restricted for unspent loan proceeds and FSS escrow.

Receivables and Payables

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses.

Capital Assets

Capital assets, which include property, buildings and equipment, are reported in the financial statements. Capital assets are defined by the Housing Commission as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Buildings	10 to 40 years
Furniture, equipment and machinery – dwelling	7 years
Furniture, equipment and machinery – administration	5 to 10 years

Compensated Absences

It is the Housing Commission's policy to permit employees to accumulate a limited amount of earned but unused sick leave and vacation days. Employees of the Housing Commission are permitted to carryover 24 hours of unused sick days from one year to the next. Liabilities are recorded based on historical trends using short-term and long-term liabilities. Upon separation from the Housing Commission, employees will be paid their balance of unused vacation days.

Other Current Liabilities

This balance consists of amounts held in the Family Self Sufficiency Escrow account.

Unearned Revenue

Unearned revenue represents tenant revenue for the subsequent year that was collected prior to the end of the current fiscal year.

Equity

Equity is classified as net position and reported as the following components:

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation, cash restricted for modernization and development 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.

Restricted – Consists of unspent loan proceeds.

Unrestricted – Consists of all other equity that does not meet the definition of “restricted” or “net investment in capital assets”.

Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Also included, all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Expenses are classified as operating and nonoperating and are sub-classified by function, such as salaries, supplies, and contracted services.

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

Estimates

In preparing financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implementation of New Accounting Standard

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The Housing Commission implemented GASB Statement No. 68 during the year ended June 30, 2015. The objective of this statement is to improve accounting and financial reporting by State and local governments for Pensions. It also improves information provided by State and local governmental employers about financial support for pensions that is provided by other entities. Implementation of this standard resulted in no significant changes to the financial reporting and accounting of the Housing Commission's defined contribution pension plan.

NOTE B - DETAILED NOTES ON TRANSACTION CLASSES / ACCOUNTS

Deposits and Investments

At year-end, the carrying amount of the Housing Commission's deposits was as follows:

	<u>Carrying Amount</u>
Financial Statement Captions	
Cash and cash equivalents	\$ 830,921
Cash and cash equivalents – restricted	78,551
Cash – tenant security deposits	34,729
Investments	81,532
Total	<u>\$ 1,025,733</u>
Notes to Financial Statements	
Cash on hand	\$ 250
Demand deposits (checking)	943,951
Certificates of deposit	81,532
Total	<u>\$ 1,025,733</u>

Deposit and Investment Risk

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments.

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase
- Bankers acceptances of United States banks
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service
- Mutual funds registered under the investment company act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997

Interest Rate Risk

The Housing Commission's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Housing Commission's investment policy does not have specific limits in excess of State law on investment credit risk. At year-end, the Housing Commission had no investments and was therefore, not exposed to credit risk.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Housing Commission's deposits may not be returned. State law does not require and the Housing Commission does not have a policy for deposit custodial credit risk. At year-end, the entire amount of the Housing Commission's bank balance of \$1,039,704 was fully insured and therefore, not exposed to custodial credit risk.

Concentration of Credit Risk

State law limits allowable investments but does not limit concentration of credit risk. The Housing Commission's investment policy does not have specific limits in excess of State law on concentration of credit risk. At year-end, The Housing Commission had no investments and was therefore, not exposed to concentration of credit risk.

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

Accounts Receivable

The balance in accounts receivable was comprised of the following:

Due from other governments	\$	21,221
Tenant receivables		8,085
Allowance for doubtful accounts		(5,596)
Interest receivable		121
Miscellaneous receivable		1,177
Total receivables, net	\$	25,008

Capital Assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 297,665	\$ -	\$ -	\$ 297,665
Capital assets being depreciated				
Buildings and improvements	7,738,745	73,385	(2,583)	7,809,547
Furniture, equipment and machinery – dwelling	94,249	1,005	(205)	95,049
Furniture, equipment and machinery – administration	218,659	10,659	-	229,318
Total capital assets being depreciated	8,051,653	85,049	(2,788)	8,133,914
Less accumulated depreciation	(5,792,365)	(324,267)	2,788	(6,113,844)
Net capital assets being depreciated	2,259,288	(239,218)	-	2,020,070
Total net capital assets	\$ 2,556,953	\$ (239,218)	\$ -	\$ 2,317,735

Long-term Debt

Following is a summary of changes in long-term debt for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
HUD loan	\$ 523,404	\$ -	\$ (27,258)	\$ 496,146	\$ 28,638
Lease / purchase agreement	254,406	-	(22,008)	232,398	23,990
Accrued compensated absences	23,697	-	(10,136)	13,561	6,460
Total	\$ 801,507	\$ -	\$ (59,402)	\$ 742,105	\$ 59,088

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

The HUD loan was entered into in 2008, has an interest rate of 4.95% and matures in 2028. The lease purchase agreement was entered into in 2013 for the purpose of acquiring energy performance equipment, has an interest rate of 2.3% and matures in 2022.

Maturities of the HUD loan and lease purchase agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 52,628	\$ 34,625
2017	56,573	31,980
2018	60,710	29,143
2019	64,424	26,103
2020	67,600	22,900
2021-2025	291,749	65,887
2026-2028	134,860	9,664
	<u>\$ 728,544</u>	<u>\$ 220,302</u>

NOTE C - OTHER INFORMATION

Concentration of Revenue

The Housing Commission is dependent upon HUD to fund its operations through operating subsidies and capital funding grants. Total revenue received from HUD for 2015 and 2014 was \$1,249,028 or 70% and \$1,292,829 or 69% of revenue, respectively.

Contingencies

Under the terms of certain Federal and State grants, periodic audits are required and certain costs may be questioned as not representing appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Housing Commission management believes disallowances, if any, would be minimal.

Risk Management

The Housing Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Housing Commission maintains commercial insurance covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Housing Commission. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Traverse City Housing Commission

Notes to Financial Statements

For the Year Ended June 30, 2015

Employee Benefit Plan

The Housing Commission participates in a 457 Deferred Compensation Pension Plan covering full-time employees that have completed a six-month probation period. Employees are not required to contribute to the Plan, however, if they do participate, the Housing Commission matches the employee contribution to the Plan up to 3% of the employees gross salary. Once a year, the Housing Commission contributes 4% of gross wages to the Plan for all full-time employees, whether or not they participate. Upon separation, accrued funds remain the property of the employee. During the fiscal year the Housing Commission contributed a total of \$10,503 and employees contributed \$18,778 to the Plan.



Traverse City Housing Commission
Financial Data Schedule
Project Balance Sheet
June 30, 2015

Line Item #	Account Description	Project MI080000001
111	Cash - Unrestricted	\$ 743,166
112	Cash - Restricted - Modernization and Development	26,825
114	Cash - Tenant Security Deposits	34,729
100	Total Cash	<u>804,720</u>
125	Accounts Receivable - Miscellaneous	1,177
126	Accounts Receivable - Tenants	8,085
126.1	Allowance for Doubtful Accounts - Tenants	(5,596)
129	Accrued Interest Receivable	121
120	Total Receivables, Net of Allowances for Doubtful Accounts	<u>3,787</u>
131	Investments - Unrestricted	81,532
142	Prepaid Expenses and Other Assets	<u>23,792</u>
150	Total Current Assets	<u>913,831</u>
161	Land	297,665
162	Buildings	7,809,547
163	Furniture, Equipment & Machinery - Dwellings	95,049
164	Furniture, Equipment & Machinery - Administration	226,103
166	Accumulated Depreciation	(6,110,892)
160	Total Capital Assets, Net of Accumulated Depreciation	<u>2,317,472</u>
180	Total Non-Current Assets	<u>2,317,472</u>
190	Total Assets	<u>\$ 3,231,303</u>
312	Accounts Payable <= 90 Days	\$ 16,955
321	Accrued Wage/Payroll Taxes Payable	4,481
322	Accrued Compensated Absences - Current Portion	4,445
333	Accounts Payable - Other Government	22,213
341	Tenant Security Deposits	34,729
342	Unearned Revenues	3,481
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	52,628
346	Accrued Liabilities - Other	8,624
310	Total Current Liabilities	<u>147,556</u>
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	675,916
354	Accrued Compensated Absences - Non Current	5,651
350	Total Non-Current Liabilities	<u>681,567</u>
300	Total Liabilities	<u>829,123</u>
508.4	Net Investment in Capital Assets	1,588,928
511.4	Restricted Net Position	26,825
512.4	Unrestricted Net Position	786,427
513	Total Equity - Net Assets / Position	<u>2,402,180</u>
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	<u>\$ 3,231,303</u>

Traverse City Housing Commission
Financial Data Schedule
Project Income Statement
For the Year Ended June 30, 2015

Line Item #	Account Description	Total Projects	Project MI08000001	Operating Fund Program	Capital Fund Program
70300	Net Tenant Rental Revenue	\$ 420,206	\$ 420,206	\$ 420,206	\$ -
70400	Tenant Revenue - Other	1,196	1,196	1,196	-
70500	Total Tenant Revenue	421,402	421,402	421,402	-
70600	HUD PHA Operating Grants	250,531	250,531	250,531	-
70610	Capital Grants	112,515	112,515	-	112,515
71100	Investment Income - Unrestricted	3,116	3,116	3,116	-
71500	Other Revenue	117,560	117,560	117,560	-
70000	Total Revenue	905,124	905,124	792,609	112,515
91100	Administrative Salaries	60,138	60,138	60,138	-
91200	Auditing Fees	2,850	2,850	2,850	-
91400	Advertising and Marketing	542	542	542	-
91500	Employee Benefit Contributions - Administrative	19,779	19,779	19,779	-
91600	Office Expenses	72,079	72,079	72,079	-
91700	Legal Expense	5,516	5,516	5,516	-
91800	Travel	1,819	1,819	1,819	-
91900	Other	6,737	6,737	6,737	-
91000	Total Operating - Administrative	169,460	169,460	169,460	-
92400	Tenant Services - Other	41,609	41,609	41,609	-
92500	Total Tenant Services	41,609	41,609	41,609	-
93100	Water	17,181	17,181	17,181	-
93200	Electricity	148,299	148,299	148,299	-
93300	Gas	16,716	16,716	16,716	-
93000	Total Utilities	182,196	182,196	182,196	-
94100	Ordinary Maintenance and Operations - Labor	86,306	86,306	86,306	-
94200	Ordinary Maintenance and Operations - Materials and Other	13,328	13,328	13,328	-
94300	Ordinary Maintenance and Operations Contracts	76,266	76,266	76,266	-
94500	Employee Benefit Contributions - Ordinary Maintenance	31,533	31,533	31,533	-
94000	Total Maintenance	207,433	207,433	207,433	-
96140	All Other Insurance	26,226	26,226	26,226	-
96100	Total Insurance Premiums	26,226	26,226	26,226	-
96210	Compensated Absences	(559)	(559)	(559)	-
96300	Payments in Lieu of Taxes	22,213	22,213	22,213	-
96400	Bad debt - Tenant Rents	3,511	3,511	3,511	-
96000	Total Other General Expenses	25,165	25,165	25,165	-
96710	Interest on Mortgage (or Bonds) Payable	25,295	25,295	25,295	-
96720	Interest on Notes Payable (Short and Long Term)	11,793	11,793	11,793	-
96700	Total Interest Expense and Amortization Cost	37,088	37,088	37,088	-
96900	Total Operating Expenses	689,177	689,177	689,177	-
97000	Excess of Operating Revenue over Operating Expenses	215,947	215,947	103,432	112,515
97100	Extraordinary Maintenance	10,675	10,675	10,675	-
97400	Depreciation Expense	324,248	324,248	318,995	5,253
90000	Total Expenses	1,024,100	1,024,100	1,018,847	5,253
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(118,976)	(118,976)	(226,238)	107,262
11020	Required Annual Debt Principal Payments	49,265	49,265	49,265	-
11030	Beginning Equity	2,521,156	2,521,156	2,521,156	-
11190	Unit Months Available	1,621	1,621	1,621	-
11210	Number of Unit Months Leased	1,620	1,620	1,620	-
11270	Excess Cash	658,227	658,227	658,227	-
11620	Building Purchases	59,961	59,961	-	59,961
13510	CFPP Debt Service Payments	52,554	52,554	-	52,554

Traverse City Housing Commission
Financial Data Schedule
Program Financials - Balance Sheet
June 30, 2015

Line Item #	Account Description	14.871 Housing Choice Vouchers
111	Cash - Unrestricted	\$ 87,755
115	Cash - Restricted for Payment of Current Liabilities	51,726
100	Total Cash	<u>139,481</u>
122	Accounts Receivable - HUD Other Projects	21,221
120	Total Receivables, Net of Allowances for Doubtful Accounts	<u>21,221</u>
150	Total Current Assets	<u>160,702</u>
164	Furniture, Equipment & Machinery - Administration	3,215
166	Accumulated Depreciation	(2,952)
160	Total Capital Assets, Net of Accumulated Depreciation	<u>263</u>
180	Total Non-Current Assets	<u>263</u>
190	Total Assets	<u>\$ 160,965</u>
312	Accounts Payable <= 90 Days	\$ 1,113
321	Accrued Wage/Payroll Taxes Payable	2,484
322	Accrued Compensated Absences - Current Portion	2,015
345	Other Current Liabilities	51,726
310	Total Current Liabilities	<u>57,338</u>
354	Accrued Compensated Absences - Non Current	1,450
350	Total Non-Current Liabilities	<u>1,450</u>
300	Total Liabilities	<u>58,788</u>
508.4	Net Investment in Capital Assets	263
512.4	Unrestricted Net Position	<u>101,914</u>
513	Total Equity - Net Assets / Position	<u>102,177</u>
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	<u>\$ 160,965</u>

Traverse City Housing Commission
Financial Data Schedule
Program Financials - Income Statement
For the Year Ended June 30, 2015

Line Item #	Account Description	14.871 Housing Choice Vouchers
70600	HUD PHA Operating Grants	\$ 885,982
71400	Fraud Recovery	2,304
71500	Other Revenue	289
70000	Total Revenue	<u>888,575</u>
91100	Administrative Salaries	74,450
91200	Auditing Fees	2,850
91500	Employee Benefit Contributions - Administrative	23,904
91600	Office Expenses	18,488
91700	Legal Expenses	1,397
91800	Travel	1,102
91900	Other	7,908
91000	Total Operating - Administrative	<u>130,099</u>
96200	Other General Expenses	930
96210	Compensated Absences	(1,247)
96000	Total Other General Expenses	<u>(317)</u>
96900	Total Operating Expenses	<u>129,782</u>
97000	Excess of Operating Revenue over Operating Expenses	<u>758,793</u>
97300	Housing Assistance Payments	855,907
97400	Depreciation Expense	19
90000	Total Expenses	<u>985,708</u>
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(97,133)
11030	Beginning Equity	199,310
11170	Administrative Fee Equity	102,177
11190	Unit Months Available	1,805
11210	Number of Unit Months Leased	1,805

Traverse City Housing Commission
Financial Data Schedule
PHA Financial Data - Balance Sheet
June 30, 2015

Line Item #	Account Description	Project Totals	Program Totals	Subtotal	Total
111	Cash - Unrestricted	\$ 743,166	\$ 87,755	\$ 830,921	\$ 830,921
112	Cash - Restricted - Modernization and Development	26,825	-	26,825	26,825
114	Cash - Tenant Security Deposits	34,729	-	34,729	34,729
115	Cash - Restricted for Payment of Current Liabilities	-	51,726	51,726	51,726
100	Total Cash	<u>804,720</u>	<u>139,481</u>	<u>944,201</u>	<u>944,201</u>
122	Accounts Receivable - HUD Other Projects	-	21,221	21,221	21,221
125	Accounts Receivable - Miscellaneous	1,177	-	1,177	1,177
126	Accounts Receivable - Tenants	8,085	-	8,085	8,085
126.1	Allowance for Doubtful Accounts - Tenants	(5,596)	-	(5,596)	(5,596)
129	Accrued Interest Receivable	121	-	121	121
120	Total Receivables, Net of Allowances for Doubtful Accounts	<u>3,787</u>	<u>21,221</u>	<u>25,008</u>	<u>25,008</u>
131	Investments - Unrestricted	81,532	-	81,532	81,532
142	Prepaid Expenses and Other Assets	23,792	-	23,792	23,792
150	Total Current Assets	<u>913,831</u>	<u>160,702</u>	<u>1,074,533</u>	<u>1,074,533</u>
161	Land	297,665	-	297,665	297,665
162	Buildings	7,809,547	-	7,809,547	7,809,547
163	Furniture, Equipment & Machinery - Dwellings	95,049	-	95,049	95,049
164	Furniture, Equipment & Machinery - Administration	226,103	3,215	229,318	229,318
166	Accumulated Depreciation	(6,110,892)	(2,952)	(6,113,844)	(6,113,844)
160	Total Capital Assets, Net of Accumulated Depreciation	<u>2,317,472</u>	<u>263</u>	<u>2,317,735</u>	<u>2,317,735</u>
180	Total Non-Current Assets	<u>2,317,472</u>	<u>263</u>	<u>2,317,735</u>	<u>2,317,735</u>
190	Total Assets	<u>\$ 3,231,303</u>	<u>\$ 160,965</u>	<u>\$ 3,392,268</u>	<u>\$ 3,392,268</u>
312	Accounts Payable <= 90 Days	\$ 16,955	\$ 1,113	\$ 18,068	\$ 18,068
321	Accrued Wage/Payroll Taxes Payable	4,481	2,484	6,965	6,965
322	Accrued Compensated Absences - Current Portion	4,445	2,015	6,460	6,460
333	Accounts Payable - Other Government	22,213	-	22,213	22,213
341	Tenant Security Deposits	34,729	-	34,729	34,729
342	Deferred Revenues	3,481	-	3,481	3,481
343	Current Portion of Long-term Debt - Capital Projects/ Mortgage Revenue Bonds	52,628	-	52,628	52,628
345	Other Current Liabilities	-	51,726	51,726	51,726
346	Accrued Liabilities - Other	8,624	-	8,624	8,624
310	Total Current Liabilities	<u>147,556</u>	<u>57,338</u>	<u>204,894</u>	<u>204,894</u>
351	Long-term Debt, Net of Current - Capital Projects/ Mortgage Revenue Bonds	675,916	-	675,916	675,916
354	Accrued Compensated Absences - Non Current	5,651	1,450	7,101	7,101
350	Total Non-Current Liabilities	<u>681,567</u>	<u>1,450</u>	<u>683,017</u>	<u>683,017</u>
300	Total Liabilities	829,123	58,788	887,911	887,911
508.4	Net Investment in Capital Assets	1,588,928	263	1,589,191	1,589,191
511.4	Restricted Net Position	26,825	-	26,825	26,825
512.4	Unrestricted Net Position	786,427	101,914	888,341	888,341
513	Total Equity - Net Assets / Position	<u>2,402,180</u>	<u>102,177</u>	<u>2,504,357</u>	<u>2,504,357</u>
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	<u>\$ 3,231,303</u>	<u>\$ 160,965</u>	<u>\$ 3,392,268</u>	<u>\$ 3,392,268</u>

Traverse City Housing Commission
Financial Data Schedule
PHA Financial Data - Income Statement
For the Year Ended June 30, 2015

Line Item #	Account Description	Project Totals	Program Totals	Subtotal	Total
70300	Net Tenant Rental Revenue	\$ 420,206	\$ -	\$ 420,206	\$ 420,206
70400	Tenant Revenue - Other	1,196	-	1,196	1,196
70500	Total Tenant Revenue	<u>421,402</u>	<u>-</u>	<u>421,402</u>	<u>421,402</u>
70600	HUD PHA Operating Grants	250,531	885,982	1,136,513	1,136,513
70610	Capital Grants	112,515	-	112,515	112,515
71100	Investment Income - Unrestricted	3,116	-	3,116	3,116
71400	Fraud Recovery	-	2,304	2,304	2,304
71500	Other Revenue	117,560	289	117,849	117,849
70000	Total Revenue	<u>905,124</u>	<u>888,575</u>	<u>1,793,699</u>	<u>1,793,699</u>
91100	Administrative Salaries	60,138	74,450	134,588	134,588
91200	Auditing Fees	2,850	2,850	5,700	5,700
91400	Advertising and Marketing	542	-	542	542
91500	Employee Benefit Contributions - Administrative	19,779	23,904	43,683	43,683
91600	Office Expenses	72,079	18,488	90,567	90,567
91700	Legal Expense	5,516	1,397	6,913	6,913
91800	Travel	1,819	1,102	2,921	2,921
91900	Other	6,737	7,908	14,645	14,645
91000	Total Operating - Administrative	<u>169,460</u>	<u>130,099</u>	<u>299,559</u>	<u>299,559</u>
92400	Tenant Services - Other	41,609	-	41,609	41,609
92500	Total Tenant Services	<u>41,609</u>	<u>-</u>	<u>41,609</u>	<u>41,609</u>
93100	Water	17,181	-	17,181	17,181
93200	Electricity	148,299	-	148,299	148,299
93300	Gas	16,716	-	16,716	16,716
93000	Total Utilities	<u>182,196</u>	<u>-</u>	<u>182,196</u>	<u>182,196</u>
94100	Ordinary Maintenance and Operations - Labor	86,306	-	86,306	86,306
94200	Ordinary Maintenance and Operations - Materials and Other	13,328	-	13,328	13,328
94300	Ordinary Maintenance and Operations Contracts	76,266	-	76,266	76,266
94500	Employee Benefit Contributions - Ordinary Maintenance	31,533	-	31,533	31,533
94000	Total Maintenance	<u>207,433</u>	<u>-</u>	<u>207,433</u>	<u>207,433</u>
96140	All Other Insurance	26,226	-	26,226	26,226
96100	Total Insurance Premiums	<u>26,226</u>	<u>-</u>	<u>26,226</u>	<u>26,226</u>
96200	Other General Expenses	-	930	930	930
96210	Compensated Absences	(559)	(1,247)	(1,806)	(1,806)
96300	Payments in Lieu of Taxes	22,213	-	22,213	22,213
96400	Bad debt - Tenant Rents	3,511	-	3,511	3,511
96000	Total Other General Expenses	<u>25,165</u>	<u>(317)</u>	<u>24,848</u>	<u>24,848</u>

Traverse City Housing Commission
Financial Data Schedule
PHA Financial Data - Income Statement
For the Year Ended June 30, 2015

Line Item #	Account Description	Project Totals	Program Totals	Subtotal	Total
96710	Interest on Mortgage (or Bonds) Payable	\$ 25,295	\$ -	\$ 25,295	\$ 25,295
96720	Interest on Notes Payable (Short and Long Term)	11,793	-	11,793	11,793
96700	Total Interest Expense and Amortization Cost	<u>37,088</u>	<u>-</u>	<u>37,088</u>	<u>37,088</u>
96900	Total Operating Expenses	<u>689,177</u>	<u>129,782</u>	<u>818,959</u>	<u>818,959</u>
97000	Excess of Operating Revenue over Operating Expenses	215,947	758,793	974,740	974,740
97100	Extraordinary Maintenance	10,675	-	10,675	10,675
97300	Housing Assistance Payments	-	855,907	855,907	855,907
97400	Depreciation Expense	<u>324,248</u>	<u>19</u>	<u>324,267</u>	<u>324,267</u>
90000	Total Expenses	<u>1,024,100</u>	<u>985,708</u>	<u>2,009,808</u>	<u>2,009,808</u>
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(118,976)	(97,133)	(216,109)	(216,109)
11020	Required Annual Debt Principal Payments	49,265	-	49,265	49,265
11030	Beginning Equity	2,521,156	199,310	2,720,466	2,720,466
11170	Administrative Fee Equity	-	102,177	102,177	102,177
11190	Unit Months Available	1,621	1,805	3,426	3,426
11210	Number of Unit Months Leased	1,620	1,805	3,425	3,425
11270	Excess Cash	658,227	-	658,227	658,227
11620	Building Purchases	59,961	-	59,961	59,961
13510	CFFP Debt Service Payments	52,554	-	52,554	52,554



SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

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A VETERAN OWNED BUSINESS

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

To the Board of Commissioners
Traverse City Housing Commission
Traverse City, MI

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the *Traverse City Housing Commission*, a component unit of the City of Traverse City, Michigan as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the *Traverse City Housing Commission's* basic financial statements and have issued our report thereon dated December 3, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Smith + Klaesche PC

Saginaw, Michigan
December 3, 2015



SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

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A VETERAN OWNED BUSINESS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Commissioners
Traverse City Housing Commission
Traverse City, MI

Report on Compliance for Each Major Federal Program

We have audited the *Traverse City Housing Commission's* compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the *Traverse City Housing Commission's* major federal programs for the year ended June 30, 2015. The *Traverse City Housing Commission'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the *Traverse City Housing Commission's* major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the *Traverse City Housing Commission's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the *Traverse City Housing Commission*, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the *Traverse City Housing Commission* is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the *Traverse City Housing Commission'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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the *Traverse City Housing Commission's* internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Smith + Klaehring PC

Saginaw, Michigan

December 3, 2015

Traverse City Housing Commission
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Agency / Pass Through Agency / Program Title	Federal CFDA Number	Amount Expended
Department of Housing and Urban Development		
Direct programs:		
Public and Indian Housing	14.850	\$ 250,531
Section 8 Housing Choice Vouchers	14.871	919,561
Section 8 Housing Choice Vouchers - Family Self Sufficiency	14.871	66,128
Total Section 8 Housing Choice Vouchers		<u>985,689</u>
Public Housing Capital Fund	14.872	<u>112,515</u>
Total Department of Housing and Urban Development		<u>\$ 1,348,735</u>
Reconciliation to Statement of Activities		
Federal revenue reported on the Statement of Activities:		
Program grants - subsidies		\$ 1,136,513
Capital grants		112,515
Decrease in equity		<u>99,707</u>
Total expenditures per Schedule of Expenditures of Federal Awards		<u>\$ 1,348,735</u>

Footnotes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the **Traverse City Housing Commission** under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the **Traverse City Housing Commission**, it is not intended to and does not present the financial position or changes in net position of the **Traverse City Housing Commission**.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Subrecipients

None of the federal expenditures presented in the Schedule were provided to subrecipients.

Traverse City Housing Commission
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting

- Material weakness(es) identified? _____ Yes _____ X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X None reported

Noncompliance material to financial statements noted? _____ Yes _____ X No

Federal Awards

Type of auditors' report issued on compliance for major program(s): Unmodified

Internal control over major program(s)

- Material weakness(es) identified? _____ Yes _____ X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X None reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ Yes _____ X No

Identification of major program(s):

CFDA Number	Name of Federal Program(s) or Cluster(s)
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualify as a low-risk auditee? _____ X Yes _____ No

Traverse City Housing Commission
Schedule of Findings and Questioned Costs (*concluded*)
For the Year Ended June 30, 2015

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Audit Findings

None



2016 MEETING SCHEDULE

THE TRAVERSE CITY HOUSING COMMISSION CONDUCTS ITS REGULAR MEETINGS AT 8:00 A.M. ON THE THIRD TUESDAY OF EACH OF THE FOLLOWING MONTHS:

JANUARY	January 19, 2016
FEBRUARY	February 16, 2016
MARCH	March 15, 2016
APRIL	April 19, 2016
MAY	May 17, 2016
JUNE*	June 21, 2016*
AUGUST	August 16, 2016
SEPTEMBER	September 20, 2016
OCTOBER	October 18, 2016
NOVEMBER	November 15, 2016

ALL MEETINGS WILL BE HELD AT EITHER ONE OF TWO LOCATIONS:

1. RIVERVIEW TERRACE, COMMUNITY ROOM, 150 PINE STREET, TRAVERSE CITY
2. GOVERNMENTAL CENTER, 400 BOARDMAN AVENUE, TRAVERSE CITY

ROOM LOCATION IN GOVERNMENT CENTER TO BE DETERMINED BASED UPON AVAILABILITY.

NOTES: There is no meeting scheduled for **JULY**. We plan to have a “Study Session” and “Strategic Plan Review” in **DECEMBER**.


* June is the official **ANNUAL MEETING** including the Election of Officers.

PUBLISHED: DECEMBER 15, 2015

TRAVERSE CITY HOUSING COMMISSION

150 PINE STREET | TRAVERSE CITY | MICHIGAN | 49684

MEMORANDUM

DATE: December 15, 2015
TO: All Commissioners of the Traverse City Housing Commission
FROM: Kari Massa, Program Manager 
SUBJECT: FSS Graduation

MESSAGE:

As mentioned in the Monthly FSS Report, we have an FSS Program Graduate this month!

Participant No. 000052 has increased household income and is no longer receiving rental assistance from the TCHC. This initiates an automatic graduation from the Family Self Sufficiency program, and the participant is entitled to the escrow balance (with interest) in the program account.

Escrow amount to be paid is \$11,760.41.

Therefore, I respectfully request a motion to disburse \$11,760.41 of funds to FSS Participant No. 000052.



Traverse City Housing Commission
A Public Housing Authority

CORRESPONDENCE

Brenda Jones Quick Letter to HUD of November 25, 2015

TCHC Response Letter to Brenda Jones on December 3, 2015

FHLBI Appointment Letter of November 23, 2015

Public Housing Assessment System (PHAS) Score Report

**BRENDA JONES QUICK, ESQ.
542 FIFTH STREET
TRAVERSE CITY, MI 49684**



November 25, 2015

Commissioner Andy Smits, President
Commissioner Kay Serratelli
Commissioner Jo Simerson
Commissioner Richard Michael
Commissioner Brian Haas
Traverse City Housing Commission
150 Pine Street
Traverse City, MI 49684

Dear Commissioners:

I am writing to you on behalf of Priscilla Townsend and other residents of Riverview Terrace. As you are aware, a substantial building project is being proposed for the property immediately adjacent to Riverview Terrace, located at 305 W. Front Street. This proposed project includes two nine story buildings and a two story parking garage, one level to be built underground.

I am sure you also are aware that the land upon which this proposed project is to be built contains toxins, so much so that it is included in the brownfield plan. Specifically, in 2005, a test of the soil and groundwater was conducted, and that test indicates that it contains arsenic, lead and pentachlorophenol (PCP).

After consulting several sources, we have been unable to locate any updated analysis of the level of toxins in the soil, discover any plan for removing those toxins, or any plan for protecting the residents of Riverview Terrace during construction, should the developers have the opportunity to move forward with the project.

It is my understanding that approximately sixty-eight of the Riverview Terrace residents' windows face 305 W. Front Street. Since their building is not air conditioned, the only means many of these residents have to cool their units or to have fresh air is to open their windows. And even if the windows are not opened, airborne dust and toxins seeping into their apartments is a very real possibility, particularly since the proposed development will begin a mere thirty feet away.

As members of the Traverse City Housing Commission you have a duty to insure the health and welfare of the residents of Riverview Terrace. Therefore, we request that you contact the developers of this proposed project and acquire copies of all recent environmental assessments, and any and all plans for removing the toxins from the soil and groundwater during and after construction. Furthermore, I request that you please forward a copy of those documents to me.

I expect that you will take whatever action is necessary to protect the interests of the Riverview Terrace residents, including attending the public hearing on December 7, 2015 at 7 p.m. in the Second

Traverse City Housing Commission
page 2

Floor Commission Chambers of the Governmental Center. We look forward to seeing you there.

Sincerely,

A handwritten signature in cursive script that reads "Brenda Quick".

Brenda Jones Quick, Esq.

cc: Doug Gordon, Director of HUD
Tony Lentych, Executive Director Riverview Terrace

River West

2

305 W. Front Street, City of Traverse City

The property located at 305 West Front Street was originally developed in the late 1890's and held the Potato Implement Company, which manufactured potato tools and corn planters. Some time between 1929 and 1946, ownership of the property was transferred to AcmeLine Manufacturing. AcmeLine manufactured agricultural sprayers (pesticide, herbicides, etc.) and planting equipment. In the 1960's, the property was transferred to the Grand Traverse Auto dealership and was used for automobile sales.

A 1997 sale led the purchaser to conduct an assessment of soil contamination. Areas targeted for sampling included a railroad spur, the former manufacturing facility, a former varnish/paint storage building, and former warehouses. Three soil samples indicated levels of lead, arsenic and pentachlorophenol (PCP) in the soil at levels above the residential clean-up criteria-rendering it a "facility". This status led to the property's inclusion into the brownfield plan for Traverse City Place. Subsequently, a brownfield plan for this property by itself was created.

Soil and groundwater sampling activities at the site were undertaken in 2005 as part of redevelopment planning pursuant to the brownfield plan. Some uncontrolled land filling was identified at the margins of the Boardman River, with household refuse, metal and building debris uncovered through exploratory excavation along the river bank.

It was also determined that groundwater at the site was contaminated by dry cleaning solvents. The former One-Hour Martinizing (OHM) site is situated east of the property. With the Boardman River situated west of the brownfield site, it is evident that impacts from the OHM site migrate onto the River West Development.

The brownfield plan provides substantial incentive to redevelop this vacant property. The intended redevelopment will be a collaborate effort between the private developer and the City of Traverse City. The private developer will construct a movie theatre and a mixed-use building and the City will build a public parking structure to accommodate the needs of the West End business district.

Since 2008, the taxable value has appreciated slightly, however the future investment will positively increase the tax base (see Table 14). As identified in previous brownfield projects, with the redevelopment of 305 W. Front Street, there is a positive impact on the surrounding properties and anticipated spin-off redevelopment of adjacent properties.

APPENDIX G

BOARDMAN LAKE/RIVER CONTAMINATION SITES MAP/DESCRIPTIONS



December 3, 2015

Brenda Jones Quick, Esq.
542 Fifth Street
Traverse City, Michigan 49684

Dear Ms. Quick:

This letter is to acknowledge that the Traverse City Housing Commission has received two letters from you in which you claim to represent Priscilla Townsend and several other residents at the Riverview Terrace Apartment Building (located at 150 Pine Street, Traverse City, 49684). It is important for us to clarify this immediately. If you represent these residents, we think it would be inappropriate for us to engage them in any conversation about any of these matters without your permission. Therefore, in order for us to accommodate this professional courtesy, we would like the list of those you represent at Riverview Terrace. After verification, we can funnel all information on these matters through your office.

Regarding many of the issues outlined in your letters and from the information contained within your attachment to said letter, it would seem that the Michigan Department of Environmental Quality (DEQ) would be a more appropriate home for most of your complaints and concerns. Not only does this state department have the experts needed to address many of these issues, it has the authority to do something about it. We do not.

Furthermore, we would like for you to indicate which rules and regulations you believe we are violating relating to the health and welfare of our residents. We believe that we have gone above and beyond any requirement to keep our residents informed about the development at 305 West Front Street. The development team (the owners, their representatives, and partners) has met with our residents on three separate occasions and listened to every concern and complaint. And while we certainly know that not every concern was addressed to our resident's liking, not a single person complained, formally or informally, that they were not heard. Should the project move forward in some manner, we expect that even more conversations will occur between the Housing Commission, our residents, and the property owners.

Finally, please note that the Traverse City Housing Commission has not taken any position on the development at 305 West Front Street other than a statement of general support for the

Woda Group's application for a PILOT on that property. Our Commissioners even stated that we would support just about any effort to increase affordable housing in the Traverse City area and not just for that property.

We look forward to your response.

Respectfully,

COPY

Tony Lentych,
Executive Director

cc: Ward Kuhn, Attorney-at-Law
All Commissioners of the Traverse City Housing Commission



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Building Partnerships. Serving Communities.

Mr. Anthony Lentych
Traverse City Housing Commission
150 Pine Street
Traverse City, MI 49696

November 23, 2015

Dear Anthony:

On November 19th, the board of directors approved your recommendation to the FHLBI's Affordable Housing Advisory Council. You are filling a vacant term that will commence in January 2016 and end in December 2018. Your nominators all spoke extremely highly of you and we are certain that your time on the council will have a great impact on the affordable housing industry and your communities. On behalf of the board of directors, the current council members and the staff of the FHLBI, we welcome you.

The first meeting of your term will be Thursday, January 28, 2016 at the FHLBI in Indianapolis. Travel details will be sent to you via email in mid to late December. That morning, prior to the meeting, there will be a new member orientation held for the new council and board members.

As the year progresses, you will receive information via e-mail regarding meeting and travel details and other pertinent information. Please don't hesitate to contact us with questions.

Again, we are looking forward to working with you throughout your term.

Sincerely,

A handwritten signature in blue ink that reads "MaryBeth Wott". The signature is written in a cursive, flowing style.

MaryBeth Wott
First Vice President, Community Investment Officer
mwott@fhlbi.com

Enclosed: 2016 meeting schedule, AHAC operating charter and preferred contact information Form, AXIOM travel form



U.S. Department of Housing and Urban
 OFFICE OF PUBLIC AND INDIAN HOUSING
 REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim Rule

Report Date: 12/04/2015

PHA Code:	MI080
PHA Name:	Traverse City Housing Commission
Fiscal Year End:	06/30/2015

PHAS Indicators	Score	Maximum Score
Physical	38	40
Financial	25	25
Management	23	25
Capital Fund	10	10
Late Penalty Points	0	
PHAS Total Score	96	100
Designation Status:	Small PHA Deregulation	

Published 12/04/2015 Initial published 12/04/2015

Financial Score Details	Score	Maximum Score
1. FASS Score before deductions	25.00	25
2. Audit Penalties	0.00	
Total Financial Score Unrounded (FASS Score - Audit Penalties)	25.00	25

Capital Fund Score Details	Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	99.28	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

1. The scores in this Report are the official PHAS scores of record for your PHA. PHAS scores in other systems are not to be relied upon and are not being used by the Department.
2. Due to rounding, the sum of the PHAS indicator scores may not equal the overall PHAS score.
3. "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
4. "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund
5. PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasinrule.cfm>

Tony Lentych

From: Gordon, Douglas C <Douglas.C.Gordon@hud.gov>
Sent: Wednesday, December 9, 2015 2:44 PM
To: Tony Lentych
Subject: FW: Small PHA Designation Notification - MI080 06/30 2015
Attachments: PHAScoreReport.PDF

An impressive score! Your efforts are appreciated.

Douglas C. Gordon, Director
Office of Public Housing
Detroit HUD Field Office
McNamara Federal Building
477 Michigan Avenue
Detroit, MI 48226-2592
Phone: (313) 234-7463
Fax: (313) 226-6160

From: phas@hud.gov [mailto:phas@hud.gov]
Sent: Friday, December 04, 2015 4:12 PM
To: tlentych@tcpha.net
Cc: Broadnax, Chandra M; Laviano, Kevin; Gordon, Douglas C
Subject: Small PHA Designation Notification - MI080 06/30 2015

Dear Executive Director:

This letter is to advise you that a Public Housing Assessment System (PHAS) designation for your public housing agency (PHA) has been issued for the fiscal year end stated in the above subject line. Your housing authority has qualified for Small PHA deregulation (SPD) based on the number of ACC units and your previous PHAS score.

PHAs with fewer than 250 ACC units that receive a designation of High Performer are not assessed the following two years. Small PHAs that receive a Standard or any Substandard designation are not assessed the following year. Small PHAs that receive a Troubled or Capital Fund-troubled designation are assessed the following year.

Note that if there is a sanction for noncompliance with Section 9(j) of the Act, a PHA will be designated Capital Fund-troubled for that year, even if they were previously considered SPD.

PHAs that are considered SPD do not have inspections conducted for that fiscal year, and the required financial submissions are used for information purposes only. The designation of record for an SPD year is the previous PHAS designation that qualified the PHA for SPD.

As a reference tool for this fiscal year, a score report has been created to advise what the indicator scores would have been if not for the SPD. The PASS score is carried forward from the previous inspections. However, the FASS, MOPS, and CFP scores are calculated based on this fiscal year's data.

For your convenience a score report is attached. You are encouraged to login to HUD's Secure Systems for the most recent scoring information; to review the Assessment Status Report; and to monitor the status of your

assessments.

Should you have any questions, please email us at PHAS@hud.gov or contact the Technical Assistance Center (TAC) at 1-888-245-4860, Monday through Friday from 7:00am to 8:30pm Eastern Time.

DEEANN WALKER
ACTING PROGRAM MANAGER, INTEGRATED ASSESSMENT SUBSYSTEM