

**COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Coos Bay, Oregon**

**ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2015**

**COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)**

Board of Commissioners
September 30, 2015

Toni Ann Brend, Chairperson
PO Box 5877
Charleston, OR 97420

Robert More, Vice-Chairperson
PO Box 1451
Coos Bay, OR 97420

Denise Hunter, Secretary/Treasurer
2673 Mexeye Loop
Coos Bay, OR 97420

Donald Garrett, Commissioner
1615 Applewood Drive
Coos Bay, OR 97420

Sharon Parrish, Commissioner
2635 Mexeye Loop
Coos Bay, OR 97420

Judy Rocha, Commissioner
93549 West Eagle Lane
North Bend, OR 97459

Janet Simpson, Commissioner
2644 Mexeye Loop
Coos Bay, OR 97420

Executive Director

Anne Cook
2678 Mexeye Loop
Coos Bay, OR 97420

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Annual Financial Report
For the Year Ended September 30, 2015

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FINANCIAL SECTION



WALL & WALL, PC Certified Public Accountants

750 Central Avenue, Suite 102 • Coos Bay, OR 97420
541.269.1358 • FAX 541.269.0202

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Coquille Indian Housing Authority
Coos Bay, Oregon

We have audited the accompanying basic financial statements of the Coquille Indian Housing Authority (the Authority), a component unit of the Coquille Indian Tribe, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coquille Indian Housing Authority, Coos County, Oregon, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity 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, 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 Management's Discussion and Analysis as listed in the table of contents, 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 Management's Discussion and Analysis, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Coquille Indian Housing Authority's basic financial statements. The supplementary and other information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. The 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 basic financial statements.

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

The Introductory and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



J. Robert Wall, CPA
Wall & Wall P.C., Certified Public Accountants

Coos Bay, Oregon
March 16, 2016

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Coquille Indian Housing Authority (the Authority), a component unit of the Coquille Indian Tribe, Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

This Management's Discussion and Analysis is to be presented at the front of each year's financial statements.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 10).

FINANCIAL HIGHLIGHTS

- A. The Authority's net position decreased by \$303,169, or 3.8%, during 2015. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net assets. Net positions were \$7,956,336 and \$7,653,167 for 2014 and 2015, respectively.
- B. The business-type activities operating revenue decreased by \$16,811, or 1.2%, during 2015 and was \$1,366,786 and \$1,349,975 for 2014 and 2015, respectively.
- C. The total expenses of all Authority programs increased by \$71,289, or 4.3%. Total expenses were \$1,666,779 and \$1,738,068 for 2014 and 2015, respectively.
- D. Preparations for replacement of the Authority's Projects and Maintenance Operations and Storage Facility began during the current fiscal period. Accomplishments include substantial completion of design and engineering, procurement of project financing, relocation from the old building to interim facilities, and preliminary site work for the new building.

USING THIS ANNUAL REPORT

The following graphic outlines the sections included in this report.

Required Supplementary Information

Management's Discussion and Analysis – pages 3-9

Basic Financial Statements

Authority-wide Financial Statements – 10-12

Notes to the Financial Statements – pages 13-19

Supplementary and Other Information

Supplementary Information (other than MD&A) – page 20

The primary focus of the Authority's financial statements (summarized fund-type information) has been discarded. The new and clearly preferable focus is on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (Authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority), and enhance the Authority's accountability.

Authority-Wide Financial Statements

The Authority-wide financial statements (see pages 10-12) are designed to be corporate-like in that all business-type activities are presented in one column for the entire Authority.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as equity and Net Assets. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year) and "Non-Current".

The focus of the Statement of Net Position (the "Unrestricted Net Assets") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity and Net Assets) is reported in three broad categories.

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt" or "Restricted Net Assets".

The Authority-wide financial statements also include a Statement of Revenue, Expenses, and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administration, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income, and interest expense.

The focus of the Statement of Revenue, Expenses, and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Finally, the Statement of Cash Flows is included, which discloses net cash provided by or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Fund Financial Statements

Traditional users of governmental financial statements will find that Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. The Authority consists of exclusively Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by the private sector.

Many of the funds maintained by the Authority are required by the U.S. Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

Financial Reporting Entity

The Authority applies the criteria set forth in Governmental Accounting Standards Board (GASB) provisions to determine whether it should include in its reporting potential component units. GASB establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Authority considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Authority's financial statements.

These standards also stipulate other considerations that the Coquille Indian Tribe must address regarding manifestation of oversight that were considered by the Tribe in its evaluation of the Tribe's organization and activities, including the nature and significance of the relationship with the Tribe. The economic resources of the Authority are held entirely, or almost entirely, for the direct benefit of the Tribe and/or the members of the Tribe, and those resources are significant to the Tribe.

The Tribe's management, under the criteria of Governmental Accounting Standards Board (GASB), has determined the Authority meets the criteria as set forth above and, therefore, is considered a component unit of the Tribe.

THE AUTHORITY'S FUNDS

Business-Type Funds

Indian Housing

Under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4104 et seq.), HUD will provide grants, loan guarantees, and technical assistance to Indian tribes and Alaskan Native villages for the development and operation of low-income housing in Indian areas. Grants will be made to eligible recipients under the Indian Housing Block Grant (IHBG) Program. To be eligible for the grants, respondents must submit an Indian Housing Plan that meets the minimum requirements of the Act, submit performance reports, and maintain records for HUD monitoring and audit review.

The Authority's mission is to work towards the goal of ensuring that eligible low-income Coquille Tribal members and other Native Americans living in the Coquille Tribe's five-county service area have access to safe, affordable, sanitary housing and to promote homeownership opportunities for Coquille Tribal members and other Native Americans of all income levels.

AUTHORITY-WIDE STATEMENTS**Statement of Net Position**

The following table reflects the condensed Statement of Net Position compared to the prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1
STATEMENT OF NET POSITION**

	<u>9/30/2015</u>	<u>Restated 9/30/2014</u>
Assets		
Current and other assets	\$ 1,724,393	\$ 1,699,755
Net capital assets	<u>6,128,397</u>	<u>6,458,541</u>
Total assets	<u>7,852,790</u>	<u>8,158,296</u>
Liabilities		
Current liabilities	171,830	162,559
Long-term liabilities	<u>27,793</u>	<u>28,851</u>
Total liabilities	<u>199,623</u>	<u>191,410</u>
Deferred inflows - reclassified	<u>-</u>	<u>10,550</u>
Net position		
Invested in capital assets, net of related debt	6,128,397	6,458,541
Restricted – CIT MHAP	48,215	45,669
Unrestricted	<u>1,476,555</u>	<u>1,452,126</u>
Total net position	<u>\$ 7,653,167</u>	<u>\$ 7,956,336</u>

Major Factors Affecting the Statement of Net Position

Current assets increased \$24,638. Liabilities increased by \$8,213.

Capital assets also changed, decreasing from \$6,458,541 to \$6,128,397. The decrease is attributed primarily to the Authority's conveyance of real property at original cost of \$359,910, net of current year depreciation of \$145,278. For more detail see Capital Assets on pages 8 and 17.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer view of financial well-being.

The following schedule compares the revenue and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

TABLE 2
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	9/30/2015	9/30/2014
Operating revenue		
HUD grants	\$ 1,005,990	\$ 1,037,119
Rent income	204,476	209,118
Lease income	19,201	19,201
HomeGO income	29,115	40,111
Interest income	2,025	1,637
Other income	89,168	59,600
Total operating revenue	1,349,975	1,366,786
Operating expenses		
Planning and administration	191,439	199,820
General operation	632,714	686,490
Housing services and management	491,190	438,875
Modernization and rehabilitation	14,089	50,556
Model activities	129,800	-
Depreciation	278,836	291,038
Total operating expenses	1,738,068	1,666,779
Net operating income (loss)	(388,093)	(299,993)
Non-operating revenue (expenses)		
Proceeds from sale of real property/disposal of equipment	61,830	65,820
Gain (loss) on the sale of real property/disposal of equipment	(240,584)	(276,008)
Contribution from the Tribe	71,856	26,751
Total non-operating revenue (expenses)	(106,898)	(183,437)
Net decrease in net position	\$ (494,991)	\$ (483,430)

Major Factors Affecting the Statement of Revenue, Expenses, and Changes in Net Position

Decreased HUD revenue during the current fiscal period was offset by funds received from the Tribe for expansion of tenant-based rental assistance. General operation expense decreased due to the completion of community improvements in the prior year. Fewer transitions from the Low Rent program to the HomeGO homebuyer program resulted in lower modernization and rehabilitation costs. The contribution from the Tribe for tenant-based rental assistance corresponded to increased housing services and management expense. Preparations to reconstruct the Authority's Projects and Maintenance Operations and Storage Facility comprise model activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$6,128,397 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (including additions, deletions, and depreciation) of \$330,144.

**TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	<u>Business-Type Activities</u>	
	<u>9/30/2015</u>	<u>9/30/2014</u>
Housing development	\$ 8,357,077	\$ 8,656,786
Land improvements	210,345	210,345
Dwelling equipment	43,283	36,498
Equipment/vehicles	174,601	176,563
Warehouse	311,563	311,563
Streets/sidewalks	173,051	168,170
Commercial rental	132,546	132,546
Construction in progress	161,259	67,840
	<u>9,563,725</u>	<u>9,760,311</u>
Accumulated depreciation	<u>(3,435,328)</u>	<u>(3,301,770)</u>
	<u>\$ 6,128,397</u>	<u>\$ 6,458,541</u>

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4
CHANGE IN CAPITAL ASSETS**

	<u>Business-Type Activities</u>
Beginning balance 10/1/2014	\$ 6,458,541
Additions	235,283
Deletions	(431,869)
Depreciation expense	(278,836)
Accumulated depreciation – assets disposed/conveyed	<u>145,278</u>
Ending balance 9/30/2015	<u>\$ 6,128,397</u>
This year's major additions are:	
Land and building development	\$ 204,508
Operations equipment purchases	23,990
Dwelling equipment purchases	<u>6,785</u>
Total additions	<u>\$ 235,283</u>
This year's major deletions are:	
Housing development sold/conveyed (NOTE 1 N)	405,917
Operations equipment	<u>25,952</u>
Total deletions	<u>\$ 431,869</u>

Debt Outstanding

The Authority has no outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the U.S. Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and, therefore, the amount of rental income.
- Inflationary pressure on utility rates, supplies, and other costs.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Anne Cook, Executive Director of the Coquille Indian Housing Authority, at (541) 888-6501. Specific requests may be submitted to Ms. Cook at 2678 Mexeye Loop, Coos Bay, OR 97420 or by email to annecook@coquilleiha.org.

BASIC FINANCIAL STATEMENTS

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Statement of Net Position
September 30, 2015

ASSETS

Current assets		
Cash and cash equivalents	\$ 1,354,786	
Accounts receivable		
HUD	261,579	
Tenants - dwelling rents	11,614	
Prepaid expenses and other assets	<u>44,160</u>	
Total current assets		\$ <u>1,672,139</u>
Non-current assets		
Restricted cash and cash equivalents		52,254
Capital assets		
Housing development	8,357,077	
Land improvements	210,345	
Dwelling equipment	43,283	
Equipment/vehicles	174,601	
Warehouse	311,563	
Streets/sidewalks	173,051	
Commercial rental	132,546	
Construction in progress	<u>161,259</u>	
Total capital assets	9,563,725	
Accumulated depreciation	<u>(3,435,328)</u>	
Net capital assets		<u>6,128,397</u>
Total non-current assets		<u>6,180,651</u>
Total assets		<u>7,852,790</u>

LIABILITIES

Current liabilities		
Accounts payable	\$ 54,449	
Accrued expenses	30,437	
Accrued compensated absences	27,793	
MEPA/VEPA payments	12,578	
Tenant security deposits	40,795	
Advanced tenant rents	5,162	
Accounts payable from restricted assets	<u>616</u>	
Total current liabilities		171,830
Non-current liabilities		
Accrued compensated absences - non-current		<u>27,793</u>
Total liabilities		<u>199,623</u>

NET POSITION

Invested in capital assets, net of related debt	6,128,397	
Restricted net assets - CIT MHAP	48,215	
Unrestricted net assets	<u>1,476,555</u>	
Total net position		\$ <u>7,653,167</u>

See accompanying notes to the basic financial statements.

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended September 30, 2015

OPERATING REVENUE

HUD grants	\$ 1,005,990
Rent income	204,476
Lease income	19,201
HomeGO income	29,115
Interest income	2,025
Other income	<u>89,168</u>
Total operating revenue	<u>1,349,975</u>

OPERATING EXPENSES

Planning and administration	191,439
General operation	632,714
Housing services and management	491,190
Modernization and rehabilitation	14,089
Model Activities	129,800
Depreciation	<u>278,836</u>
Total operating expenses	<u>1,738,068</u>
Net operating income (loss)	<u>(388,093)</u>

NON-OPERATING REVENUE (EXPENSES)

Proceeds from the sale of real property	61,617
Proceeds from the disposal of equipment	213
Gain (loss) on the sale of real property	(240,584)
CIT Occupancy Tax	24,403
CIT MHAP Funds	<u>47,453</u>
Total net non-operating revenue (expenses)	<u>(106,898)</u>

Change in net position (494,991)

TOTAL NET POSITION, BEGINNING

7,956,336

Capital expenditures reclassified	189,276
Restricted net assets - CIT MHAP	<u>2,546</u>

TOTAL NET POSITION, ENDING\$ 7,653,167

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Statement of Cash Flows
For the Year Ended September 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

HUD grants	\$ 869,962
Rent received from tenants	173,457
Cash payment to suppliers for goods and services	(507,257)
Cash payments to employees for services and related costs	(709,806)
Vacated debt recovery income	50
Other operating revenues	137,434
Interest income	<u>2,025</u>

Net cash (used) by operating activities (34,135)

CASH FLOW USED BY CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from the sale of real property	61,617
Modernization and acquisition of capital assets	(189,276)
CIT Occupancy Tax	24,403
CIT MHAP Funds	<u>47,453</u>

Net cash (used) by capital and related financing activities (55,803)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (89,938)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 1,444,724

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,354,786

RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH (USED) BY OPERATING ACTIVITIES:

Net operating income (loss) \$ (388,093)

Adjustments to reconcile change in net position to net cash provided by operating activities:

Capital expenses reclassified	189,276
Depreciation	278,836
Bad debts	2,749
Cash received from disposal of equipment	213
(Increase) Decrease in:	
Restricted cash	22,462
Receivables	(138,738)
Prepaid expenses	(1,049)
Increase (Decrease) in:	
Accounts payable	30,641
Accrued expenses	2,408
Deposits/payments	(21,718)
Advanced tenant rents	(2,060)
Advanced intergovernmental payments	(10,550)
Non-current liabilities	(1,058)
Restricted net assets - CIT MHAP Funds	<u>2,546</u>
Total adjustments	<u>353,958</u>

Net cash (used) by operating activities \$ (34,135)

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Notes to the basic financial statements consist of a summary of significant accounting policies and all additional information necessary for a fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Notes to the Basic Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Coquille Indian Housing Authority (the Authority) was duly created pursuant to the authority of the Constitution and Statutes of the Coquille Indian Tribe of Oregon (Tribe), including, particularly Coquille Tribal Ordinance No. 01-CY9233-A, adopted on May 12, 1992. The purpose of the Authority is to establish decent, safe, and sanitary housing for Coquille Tribal members and other Native Americans. The operations of the Authority are separate from those of the Coquille Indian Tribe (see NOTE 1 B, following). Commissioners are appointed by the Coquille Tribal Council for terms of three years or such other period specified by the Tribal Council. All vacancies are filled for the unexpired term. Typically Commissioners are nominated by the Board of Commissioners and nominations are presented to the Coquille Tribal Council for appointment. Programs for which Federal funding was received by the Authority include contracts with the U.S. Department of Housing and Urban Development (HUD). The Indian Housing Block Grant Program (IHBG) is the principal funding source for the Authority.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental units and applies all relevant Government Accounting Standards Board (GASB) pronouncements.

B. Financial Reporting Entity

The Authority considered all potential component units in determining what organizations should be included in the financial statements. A decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The concept underlying the definition of the reporting entity is that the elected or appointed officials are accountable. The Coquille Indian Housing Authority has no component units to be included in these financial statements.

These standards also stipulate other considerations that the Coquille Indian Tribe must address regarding manifestation of oversight that were considered by the Tribe in its evaluation of the Tribe's organization and activities, including the nature and significance of the relationship with the Tribe. The economic resources of the Authority are held entirely, or almost entirely, for the direct benefit of the Tribe and/or the members of the Tribe, and those resources are significant to the Tribe.

The Tribe's management has determined the Authority meets the criteria as set forth above and, therefore, is considered a component unit of the Tribe.

C. Basis of Presentation

The accounts of the Authority are organized and operated on the basis of a single proprietary fund. The Authority's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business-type activities provided to the general public. These activities are financed primarily by HUD grants and tenant rent charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

D. Measurement Focus and Basis of Accounting

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

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

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise funds are HUD grants and rent. Operating expenses for enterprise funds include the cost of services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Cash and Cash Equivalents

The Authority considers demand deposits and investments with an original maturity of three months or less to be cash and cash equivalents for purposes of the statement of cash flows.

F. Budgets and Budgetary Accounting

Budgets for the Authority are established within its Indian Housing Plan, which is approved by the Coquille Indian Housing Authority's Board of Commissioners and Coquille Tribal Council, then submitted to the U.S. Department of Housing and Urban Development for approval.

G. Accounts Receivable – Tenants

Accounts receivable represent amounts due from tenants. It is the practice of the Authority to write off uncollectible receivables only upon approval of the Board of Commissioners after exhausting reasonable efforts to collect amounts due. No allowance for doubtful accounts is used in the valuation of receivables.

H. Accounts Receivable – HUD

The receivables from HUD pertaining to the housing program are shown as the amount for which reimbursement is requested for expenditures under the Indian Housing Block Grant program (IHBG).

I. Capital Assets

Capital assets are carried at cost. Purchase of furniture and equipment, real property acquisition, and construction of low-income housing are capitalized in the financial statements. Maintenance and repair of a routine nature are charged to expenses as incurred and not capitalized. Depreciation is recorded over the estimated useful life of the asset: buildings and improvements 15 to 40 years, and furniture and equipment 3 to 7 years. Depreciation expense for the year ended September 30, 2015 was \$278,836.

J. Vested Compensated Absences and Extended Illness Benefits

Vested compensated absences and extended illness benefits are accrued in the amount of \$55,586 at September 30, 2015, with one half, each, reported as current and non-current liabilities, as follows:

	<u>Balance at 10/1/14</u>	<u>Additions</u>	<u>Used</u>	<u>Balance at 9/30/15</u>	<u>Due Within One Year</u>
Compensated absences payable	\$ 57,702	\$ 71,984	\$ 74,100	\$ 55,586	\$ 27,793

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Authority does not have an item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate item for deferred inflows and resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have an item that qualifies for reporting in this category.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended by GASB Statement No. 36, the Authority recognizes grant revenue when all applicable eligibility requirements, including time requirements, are met. The IHBG is a reimbursement or expenditure driven grant program. Unobligated balances may be carried over and charged for obligations of the subsequent period with certain limitations.

M. Net Position

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following categories:

- Invested in Capital Assets, Net of Related Debt – Consists of all capital assets, net accumulated depreciation and reduced by the outstanding balances of any bond or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – Consists of external constraints placed on the net position used by creditors, grantors, contributors, laws, or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – Consists of all other items that are not included in the above categories.

It is the Authority's policy to first use restricted net position prior to the use of unrestricted net positions when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

N. Sale of Capital Assets

Proceeds from the sale/conveyance of real property to homebuyers for the period ended September 30, 2015 is recorded as non-program and program income, as both homes were built under the 1937 Act and one home exceeded the 40% cap in rehabilitation costs. Loss on the sale/conveyance of real property, which represents remaining book value (cost less depreciation), is recorded as a program non-cash expense, as the cost to acquire or develop the property was charged to a specific grant in previous years.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits – Cash balances on deposit with local banks are collateralized by FDIC Insurance and U.S. Government obligations under a sweep repurchase (REPO) agreement. From October 1, 2014 through May 11, 2015, the Authority's deposits were collateralized by FDIC Insurance and U.S. Government obligations held in a safekeeping account at the regional Federal Home Loan Bank. The carrying value of the Authority's funds at September 30, 2015 was \$1,354,786. The bank balance was \$1,354,437 as of September 30, 2015.

Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has a deposit policy for custodial credit risk. All deposits are held in the name of the Authority and are collateralized by their local bank under a REPO Investment Sweep Account Agreement starting May 12, 2015. The carrying value of cash and cash equivalents approximates fair value.

<u>Bank Account</u>	<u>Type</u>	<u>Institution</u>	<u>Balance</u>	<u>Interest</u>
Operating/General Fund	Checking	Banner Bank	\$ 50,421	0.00%
Operating Reserves	Money Market	Banner Bank	<u>1,304,016</u>	0.15%
Total bank accounts			1,354,437	
Cash on hand				
Change Fund	Cash		100	
Petty Cash	Cash		<u>249</u>	
Total unrestricted cash			<u>\$ 1,354,786</u>	

NOTE 3 – DEFERRED INFLOWS

Proprietary funds report deferred revenue in connection with resources that have been received but not yet earned. In the government-wide financials these unearned revenues are considered deferred inflows (NOTE 1 L). These, Government-wide financial statements report deferred inflows (revenue) only for these amounts that have been received but not yet earned. The Authority does not have an item that qualifies for reporting in this category for the year ended September 30, 2015. The prior 2014 fiscal year deferred inflows were adjusted to \$10,550, moving some to current liabilities.

NOTE 4 – CAPITAL ASSETS

A summary of changes in land improvements, structures, and equipment follows:

	Balance 10/1/2014	Additions	Deletions	Balance 9/30/15
Non-depreciable capital assets:				
Construction in progress	\$ 67,840	\$ 139,426	\$ (46,007)	\$ 161,259
Depreciable capital assets:				
Housing development	8,656,786	60,201	(359,910)*	8,357,077
Land improvements	210,345	-	-	210,345
Dwelling equipment	36,498	6,785	-	43,283
Equipment/vehicles	176,563	23,990	(25,952)	174,601
Warehouse	311,563	-	-	311,563
Streets/sidewalks	168,170	4,881	-	173,051
Commercial rental	132,546	-	-	132,546
Total depreciable capital assets	<u>9,692,471</u>	<u>95,857</u>	<u>(385,862)</u>	<u>9,402,466</u>
Total capital assets	<u>9,760,311</u>	<u>235,283</u>	<u>(431,869)</u>	<u>9,563,725</u>
Accumulated depreciation:				
Housing development	2,852,461	231,135	119,326	2,964,270
Land improvements	65,820	14,068	-	79,888
Dwelling equipment	9,265	6,141	-	15,406
Equipment/vehicles	134,109	13,922	25,952	122,079
Warehouse	109,271	5,193	-	114,464
Streets/sidewalks	92,999	5,063	-	98,062
Commercial rental	37,845	3,314	-	41,159
Total accumulated depreciation	<u>3,301,770</u>	<u>278,836</u>	<u>145,278</u>	<u>3,435,328</u>
Capital assets, net	<u>\$ 6,458,541</u>	<u>\$ (43,553)</u>	<u>\$ (286,591)</u>	<u>\$ 6,128,397</u>

* Two 1937 Housing Act homes were conveyed during FY 2015. (see NOTE 1 N).

NOTE 5 – RISK MANAGEMENT

The Authority 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 Authority carries commercial insurance for these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 6 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules, and regulations of federal, state, local, and Tribal regulatory agencies. Such administrative directives, rules, and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD or other governing body. Such changes may occur with little notice or inadequate funds to pay for the related cost, including the additional administrative burden, to comply with a change.

The Authority participates in federal grant programs, which, as mentioned above, are governed by various rules and regulations of its primary grantor agency (HUD, which represents 75% of the Authority's operating revenues) NOTE 1 B. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency. Therefore, to the extent that the Authority has not complied with the rules and regulations governing the grants, refunds of any funds received may be required and the collectability of any related receivable at September 30, 2015 may be impaired. In the opinion of the Authority, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying Financial Statements for such contingencies. The Authority is subject to examination by federal authorities that determine compliance with terms, conditions, laws, and regulations governing grants given to the Authority in the current and prior years.

NOTE 7 – PENSION PLAN

On April 1, 2007, the Authority began participation in the Coquille Indian Tribe Governmental 401(k) Plan. Eligibility in the plan is available to all employees over the age of 18, regularly scheduled to work 20 or more hours per week, after a 90-day probationary period. The Authority expends a basic contribution of 10% of eligible employees' gross income on each payroll date. Employees are allowed to participate by making separate pre-tax contributions at each payroll date. On behalf of participating employees, the Authority expends a matching contribution, dollar for dollar, up to 2.5% of participating employees' wages. All basic and matching contributions made by the Authority to the Plan on behalf of eligible employees are fully vested and non-forfeitable. For the year ended September 30, 2015, the Authority contributed approximately \$58,919 to the 401(k) Plan retirement program.

NOTE 8 – IDENTITY AND NATURE OF INTEREST AND RELATED PARTIES

<u>Name</u>	<u>Relationship</u>	<u>Amount Paid(Received) During the Year Ended September 30, 2015</u>
The Mill Casino-Hotel (food, lodging, and transportation)	*	\$ 1,299
Coquille Indian Tribe	NOTE 1 A	
Police Department		30,000
Reimbursements		6,030
Donations		150
Lease arrangements (see NOTE 9, below)		
Police Office		(2,400)
Police Garage		(1)
Culture, Education, and Library Services (CELS)		(1,260)
Maintenance Shop		(19,200)
Contributions		
CIT Occupancy Tax		(24,403)
CIT MHAP Funds		(47,453)

Accounts payable included \$470 to The Mill Casino-Hotel at year end.

* The Mill Casino-Hotel is owned and operated by the Coquille Economic Development Corporation, a Component unit of the Coquille Indian Tribe.

NOTE 9 – LEASES

On March 31, 2008, the Coquille Indian Housing Authority, as sublessor, entered into a sublease agreement with the Coquille Indian Tribe (NOTE 1 A) for a Commercial Rental premises on Coquille Tribal Lands for a \$1,600 per month operating lease (\$19,200 annually). The premises consist of a 4,000 square foot building space constructed by the Authority with total associated grounds comprised of approximately 19,220 square feet. The fixed lease term expired March 31, 2009, at which time it converted to a month to month lease.

Another operating lease (also with the Authority as sublessor) between the Authority and the Tribe entails office space for use by the Coquille Indian Tribal Police Department. The current lease term began October 1, 2008 and automatically renews for succeeding 1-year terms thereafter unless one of the parties takes action to terminate. The lease fee is \$2,400 per year. The agreement remained in effect during the fiscal year ended September 30, 2015.

The Authority is also party to an operating lease (with the Authority as sublessor) between the Authority and the Tribe for the land upon which the Tribe has constructed a garage for the Coquille Indian Tribal Police Department. The lease is dated August 28, 2010 and is for a term of 20 years. The lease fee is \$1 per year.

An operating lease (with the Authority as sublessor) between the Authority and the Tribe for the Culture, Education, and Library Services Department was terminated during the course of the current fiscal year. The lease term began September 1, 2010 and was renewed automatically for succeeding 1-year terms until its termination on March 31, 2015. The lease fee was \$3,780 per year.

On May 1, 2015, the Authority (as sublessor) entered into a business sublease with Coos County for office space for use by the South Coast Interagency Narcotics Team. The lease renews automatically for succeeding 1-year terms on July 1st of each year unless action is taken to terminate. The lease fee is \$2,400 per year.

NOTE 10 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash in the amount of \$52,254 at September 30, 2015 consists of amounts on deposit in separate bank accounts for MEPA/VEPA deposits and security, pet and lot deposits.

NOTE 11 – SUBSEQUENT EVENTS

Professional standards require evaluation and disclosures of significant events affecting the Authority that take place subsequent to the current fiscal year ended September 30, 2015. As of March 16, 2016 (the issuance date of the financial statements), there were no such occurrences noted whose non-disclosure would render the current fiscal year's financial statements to be misleading. However, it was noted that the Authority was in the initial stages of a \$1.7 million re-construction project of their projects and maintenance operations and storage facility, adopting a resolution during February of 2016 authorizing the borrowing of \$1,000,000 from Banner Bank for the project.

SUPPLEMENTARY AND OTHER INFORMATION

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Reconciliation Schedule by Grant Year
Annual Performance Report to Financial Statements - IHBG 55IH4102770
For the Year Ended September 30, 2015

<u>Activity</u>	<u>IHBG Funds Budgeted in Current Year</u>	<u>IHBG Funds Charged in Current Year</u>	<u>Other Funds Expended</u>	<u>Total Funds Expended From All Sources</u>	<u>IHBG Funds Remaining</u>
1501.1 Accessibility Modifications to 1937 Housing Act Units	\$ 12,059	\$ 12,059	\$ -	\$ 12,059	-
1501.2 Conversion of Rental Units to Homebuyer Units	2,030	2,030	-	2,030	-
1502 Operation and Maintenance of 1937 Housing Act Units	336,046	336,046	201,181	537,227	-
1509.1 Tenant Based Rental Assistance	180,382	180,382	71,856	252,238	-
1509.2 Housing Services	13,191	13,191	-	13,191	-
1510.1 Housing Management Services	107,585	107,585	118,176	225,761	-
1510.2 Operation and Maintenance of NAHASDA Units	19,949	19,949	-	19,949	-
1511 Crime Prevention and Safety	30,000	30,000	-	30,000	-
1512 Model Activities: Replacement of Projects and Maintenance Operations and Storage Facility	323,131	113,309	16,491	129,800	209,822
1513 Planning and Administration	<u>191,439</u>	<u>191,439</u>	<u>-</u>	<u>191,439</u>	<u>-</u>
Total	<u>\$ 1,215,812</u>	<u>\$ 1,005,990</u>	<u>\$ 407,704</u>	<u>\$ 1,413,694</u>	<u>\$ 209,822</u>

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS



WALL & WALL, PC Certified Public Accountants

750 Central Avenue, Suite 102 • Coos Bay, OR 97420
541.269.1358 • FAX 541.269.0202

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

Board of Commissioners
Coquille Indian Housing Authority:

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 Coquille Indian Housing Authority (the Authority), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Coquille Indian Housing Authority's basic financial statements, and have issued our report thereon dated March 16, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Coquille Indian Housing Authority's financial statements are free from material misstatement, we performed test 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.

A handwritten signature in blue ink that reads "J. Robert Wall, CPA". The signature is written in a cursive style.

J. Robert Wall, CPA
Wall & Wall P.C., Certified Public Accountants

Coos Bay, Oregon
March 16, 2016



WALL & WALL, PC Certified Public Accountants

750 Central Avenue, Suite 102 • Coos Bay, OR 97420
541.269.1358 • FAX 541.269.0202

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

Board of Commissioners
Coquille Indian Housing Authority:

Report on Compliance for Each Major Federal Program

We have audited the Coquille Indian Housing Authority'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 Coquille Indian Housing Authority's major federal programs for the year ended September 30, 2015. The Coquille Indian Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Coquille Indian Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *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 Coquille Indian Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Coquille Indian Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Coquille Indian Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each

major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Coquille Indian Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance 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.



J. Robert Wall, CPA
Wall & Wall P.C., Certified Public Accountants

Coos Bay, Oregon
March 16, 2016

**COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015**

SECTION I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes ✓ No
- Significant deficiency(ies) identified? _____ Yes ✓ None reported
- Noncompliance material to financial statements noted? _____ Yes ✓ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes ✓ No
- Significant deficiency(ies) identified? _____ Yes ✓ None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes ✓ None reported

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.867	Indian Housing Block Grant

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

Auditee qualified as low-risk auditee? ✓ Yes _____ No

SECTION II – Financial Statement Findings

No matters were reported.

SECTION III – Federal Award Findings and Questioned Costs

No matters were reported.

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

<u>Federal Grantor/Pass-through Program Title or Cluster</u>	<u>Federal CFDA Number</u>	<u>Grant or Program Number</u>	<u>Program or Award Amount</u>
U.S. Department of Housing and Urban Development			
Office of Native American Programs			
Indian Housing Block Grants Cluster			
Indian Housing Block Grant	14.867	55IH4102770	\$ <u>1,215,812</u>
 Total Awards			 \$ <u><u>1,215,812</u></u>

Accounts Payable (Receivable) Oct. 1	Federal Receipts	Federal Expenditures	Accounts Payable (Receivable) Sept. 30
\$ <u>(125,551)</u>	\$ <u>869,962</u>	\$ <u>1,005,990</u>	\$ <u>(261,579)</u>
\$ <u><u>(125,551)</u></u>	\$ <u><u>869,962</u></u>	\$ <u><u>1,005,990</u></u>	\$ <u><u>(261,579)</u></u>

COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Coquille Indian Housing Authority under programs of the federal government for the year ended September 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 Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Coquille Indian Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Coquille Indian Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING


Expenses reported on the schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*.

**COQUILLE INDIAN HOUSING AUTHORITY
(A Component Unit of the Coquille Indian Tribe)
Coos Bay, Oregon**

**HUD PROJECT NO. IH4102770
For the Fiscal Year Ended September 30, 2015**

CERTIFICATION OF PROJECT OWNER


We hereby certify that we have examined the accompanying financial statements and supplemental data of the Coquille Indian Housing Authority HUD Project as shown above and, to the best of our knowledge and belief, the same are accurate and complete.



Anne F. Cook, Executive Director

May 19, 2016

Date



Toni Ann Brend, Chairperson

May 19, 2016

Date

Employer Identification Number
93-1133051