



8.3	<p><b>Capital Fund Financing Program (CFFP).</b>  <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.</p> <p>See page 15 of Attachment fl102a01</p>
9.0	<p><b>Housing Needs.</b> Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p> <p>See page 15 of Attachment fl102a01</p>
9.1	<p><b>Strategy for Addressing Housing Needs.</b> Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. <b>Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</b></p> <p>See pages 16 - 18 of Attachment fl102a01</p>
10.0	<p><b>Additional Information.</b> Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan.</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification”</p> <p>See page 18 of Attachment fl102a01</p>
11.0	<p><b>Required Submission for HUD Field Office Review.</b> In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. <b>Note:</b> Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

## Instructions form HUD-50075

**Applicability.** This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

### 1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

### 2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

### 3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

### 4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

### 5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

**5.1 Mission.** A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

**5.2 Goals and Objectives.** Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

**6.0 PHA Plan Update.** In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

#### PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

**7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers**

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm)  
**Note:** This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

**8.0 Capital Improvements.** This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

**8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report.** PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

**8.2 Capital Fund Program Five-Year Action Plan**

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

**8.3 Capital Fund Financing Program (CFFP).** Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

**9.0 Housing Needs.** Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

**9.1 Strategy for Addressing Housing Needs.** Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

**10.0 Additional Information.** Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

**11.0 Required Submission for HUD Field Office Review.** In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

# BAKER COUNTY HOUSING ASSISTANCE PROGRAM

## FY2010-FY20104 FIVE-YEAR AGENCY PLAN AND FY2010 ANNUAL UPDATE

### SECTION 5.0 THROUGH 10.0

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## 5.0 Five-Year Plan

### 5.1 Mission Statement

To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

### 5.2 Goals and Objectives

Goal: Expand the supply of assisted housing

Objective

- Apply for additional rental vouchers:

Goal: Improve the quality of assisted housing

Objective

- Improve voucher management: (SEMAP score)
- Increase customer satisfaction:

Goal: Increase assisted housing choices

Objective

- Conduct outreach efforts to potential voucher landlords

Goal: Promote self-sufficiency and asset development of assisted households

Objectives:

- Increase the number and percentage of employed persons in assisted families:
- Provide or attract supportive services to improve assistance recipients' employability:
- Provide or attract supportive services to increase independence for the elderly or families with disabilities.

Goal: Ensure equal opportunity and affirmatively further fair housing

Objective

- Continue to follow HUD regulations pertaining to the admissions and occupancy of the Housing Choice Voucher Program.

**6.0 PHA Plan Update**

- (a) **Identify specifically which plan elements have been revised since the PHA's prior plan submission.**

All elements have been revised since the last submission.

- (b) **Identify where the 5-Year and Annual Plan may be obtained by the public.**

The FY2010-FY2014 Five-Year Agency Plan will be available for review during the 45-day Public Hearing Notice period at the Baker County Housing Assistance Program's Main Office which is located at 402 Stansell Avenue in Macclenny, Florida.

**1. Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures**

**Public Housing**

The Baker County Housing Assistance Program does not operate a Public Housing Program.

**Section 8**

*Eligibility*

The Housing Assistance Program will determine applicant eligibility in accordance with HUD guidelines.

1. Eligibility Criteria:

- a. An applicant must be a family as defined by HUD.
- b. An applicant must be within the appropriate income limits.
- c. An applicant must furnish Social Security Number for all family members age six and older.
- d. An applicant must furnish evidence of Citizenship/Eligible Immigrant Status.

2. Family Composition

The applicant must qualify as Family for eligibility for admission. A Family may be a single person or a group of persons. A group of persons may be:

- a. Two or more persons who intend to share residency whose income and resources are available to meet the family's needs.
- b. Two or more elderly or disabled persons living together, or one or more elderly, near elderly, or disabled persons living with one or more live-in aides is a family.
- c. A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home and is not intended to artificially enlarge the space available for other family members.

3. A single person may be:

- a. An elderly person
- b. A displaced person

- c. A person with a disability
- d. Any “other single” person

4. Head of Household

The Head of Household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

5. Spouse of Head

Spouse means the marriage partner of the head, who in order to dissolve the relationship, would have to be divorced. Spouse includes the partner in a common law marriage. The term “spouse” does not apply to boyfriends, girlfriends, significant other, or co-heads.

6. Co-Head

A co-head is an individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

7. Live-In Attendants

a. A family may include a live-in aide provided that such live-in aide:

- (i) Is determined by the Housing Assistance Program to be essential to the care and well being of an elderly person, a near elderly person, or a person with disabilities,
- (ii) Is not obligated for the support of the person(s), and
- (iii) Would not be living in the unit except to provide care for the person(s).

b. A live-in aide is treated differently than family members:

- (i) Income of the live-in aide is not counted for purposes of determining eligibility of benefits.
- (ii) Live-in aides are not subject to Non-Citizen Rule requirements.
- (iii) Live-in aides may not be considered as a remaining member of the tenant family.
- (iv) A live-in aide may only reside in the unit with the approval of the Housing Assistance Program. Written verification will be required from a reliable, knowledgeable professional. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near elderly, or disabled.

- c. At any time the Housing Assistance Program may refuse to approve a particular person as a live-in aide, or may withdraw such approval if:
- (i) The person commits fraud, bribery and any other corrupt or criminal act in connection with any federal housing program.
  - (ii) The person commits drug-related criminal activity or violent criminal activity.
  - (iii) The person currently owes rent or other amounts to the Housing Assistance Program or to another Housing Assistance Program in connection with Section 8 or public housing assistance under the 1937 Act.

8. Noncitizens Rule

Section 214 of the Housing and Community Development Act of 1980, as amended, prohibits the Secretary of HUD from making financial assistance available to persons who are other than United States Citizens, nationals, or certain categories of eligible noncitizens either applying to or residing in specified Section 214 covered programs.

9. Ineligibility Because of Eviction for Drug Crimes

Any tenant evicted from federally assisted housing by reason of drug-related criminal activity (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 USC 1437a(b)) shall not be eligible for federally assisted housing during the 3-year period beginning on the date of such eviction unless the evicted tenant successfully completes a rehabilitation program approved by the Housing Assistance Program. A waiver may be granted if the circumstances leading to eviction no longer exists.

10. Ineligibility for Illegal Drug Users and Alcohol Abusers

Notwithstanding any other provision of the law, the Housing Assistance Program shall prohibit admission to the Section 8 program for any household with a member who the Housing Assistance Program determines is illegally using a controlled substance; or, the Housing Assistance Program determines that it has reasonable cause to believe that such household member's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

In determining whether to deny admission to the Section 8 program to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, the Housing Assistance Program may consider whether such household member has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as

applicable); has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol ( as applicable).

11. Authority to Deny Admission to Criminal Offenders

Except as provided above, and in addition to any other authority to determine eligibility, if the Housing Assistance Program determines that the applicant or any member of the applicant household is or was, during a reasonable time preceding the date when the applicant would otherwise be selected for admission, engaged in any drug-related or violent criminal activity or other criminal activity which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner, or Housing Assistance Program employees, the Housing Assistance Program may deny such applicant admission to the program; or, may require proof that the individual who engaged in criminal activity has not engaged in any criminal activity for a reasonable period.

12. Income Limitations

In order to be eligible for assistance, an applicant must be either:

- a. A very low-income family, or
- b. A low-income family in any of the following categories:
  - (i) A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within (choices: 30/60/90/120) days of voucher issuance. Programs include public housing, all Section 8 programs, and all Section 23 programs.  
  
Definition of Continuously-Assisted: An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Act program when the family is admitted to the voucher program.
  - (ii) A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.
  - (iii) A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.
  - (iv) A low-income non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173.

- (v) A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165
- (vi) A low-income family residing in a HUD-owned multifamily rental housing project when the project is sold, foreclosed, or demolished by HUD.

13. Special Eligibility: Law Enforcement And Security Personnel In Assisted Housing

For the purpose of increasing security for residents, the owner of a project-based assisted development may admit police officers and other security personnel who are not otherwise income eligible for assistance with approval from HUD.

*Selection*

All admissions to the Section 8 program shall be made on the basis of a written application completed by the applicant family. The Housing Assistance Program will conduct interviews when the application process is open. The Application for Admission shall constitute the basic legal record of each family applying for admission and shall support the Housing Assistance Program's determinations of eligibility status, priority status, and rent for which the applicant is qualified. All supplemental materials pertaining to eligibility shall be considered a part of the application record and carefully recorded. This includes verifications of income and family composition and such other data as may be required. The following conditions shall govern the taking and processing of applications:

1. Applications for the Section 8 program will be maintained on the Housing Assistance Program's computer system. Applicants shall complete and sign the application and certify, subject to civil and criminal penalties, to the accuracy of all statements made therein. The Housing Assistance Program reserves the right to require the signature of any or all adult members of the applicant household. Each complete application shall reflect the date and time of receipt by the Housing Assistance Program, and any other factors upon which priority and preference are assigned.
2. Applicants will be required to submit verification documentation as part of the application process. Applicants will be supplied a list of required verifications for the purpose of determining eligibility.
3. Should applicants fail to provide required verification documentation within time frame established by the PHA, their case will be placed in an inactive status and will be required to reapply during the next enrollment period.
4. The Housing Assistance Program reserves the right to suspend application taking when the current supply of completed full applications exceeds the number of families that could be reasonably expected to be housed within the next twelve months.

5. The Housing Assistance Program will normally take applications from a central location which will allow for processing by staff persons knowledgeable of the rules and regulations governing the Section 8 program, but reserves the right to establish satellite locations for application taking, so long as all processing is done in a central location.
6. The Housing Assistance Program reserves the right to establish times for taking applications, including by appointment. The Housing Assistance Program staff may at its discretion provide for application interviews outside normal hours when necessary for hardship reasons.
7. Insofar as possible, if an interview is required, application interviews shall be conducted in private.
8. Applications shall be updated as applicants report changes in income and family circumstances. All modifications to applications shall be properly documented and the transaction initialed by the staff member making the change.
9. All active applications will be purged no less than once each 12 months. Notification shall be sent to each applicant informing him/her that unless he/she confirms his/her continued interest, his/her application will be retired from the active file. Returned notification will be attached to the respective application as evidence of unsuccessful effort to locate the applicant. All applicants will be instructed to notify the PHA whenever there is a change in family composition, income, address, and any other factors relative to their eligibility status. Applicants should notify the PHA if he/she no longer desires consideration for the Section 8 program.
10. Applicants on waiting lists for any other type of assisted housing will have no special status with respect to the Section 8 program. Applicants must submit separate applications for other programs. Applicants will not lose their place on any other PHA waiting list should they make an application for the public housing program. This right will be explained to each applicant who might have previously filed an application for a dwelling unit through any other PHA program.
11. The Housing Assistance Program shall maintain such records as are necessary to document the disposition of all applications and to meet Department of Housing and Urban Development audit requirements.
12. If an applicant is determined to be ineligible on the basis of program guidelines, the applicant shall be notified, in writing of the reasons for the ineligibility determination. The applicant shall be informed of their right for an Informal Review of the determination. If, after the review, the applicant remains ineligible, or if the right to a review is waived, the applicant shall receive a written notice.

**2. Financial Resources**

The table below lists the Baker County Housing Assistance Program’s anticipated financial resources available to the Agency, as well as other income available to support the housing choice voucher program in Fiscal Year 2010.

<b>Funding Source</b>	<b>Amount</b>	<b>Use</b>
Public Housing Operating Fund	N/A	N/A
Housing Choice Voucher Program	\$688,640	Operations
Public Housing Capital Fund Program	N/A	N/A
<b>Total</b>	<b>\$688,640</b>	

**3. Rent Determination**

**Public Housing**

The Baker County Housing Assistance Program does not operate a Public Housing Program.

**Section 8**

1. Family Share of Rent

Family share of rent shall be calculated based on:

- a. 30% of the monthly adjusted income of the family; or,
- b. 10% of the monthly income of the family; or,
- c. If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those of those payments that is so designated.

2. Minimum Rental Amount

The Housing Assistance Program shall require families to pay a minimum monthly rental amount of \$50.

3. Exemption for Hardship Circumstances

The Housing Assistance Program shall immediately grant an exemption from application of the minimum monthly rental amount to any family unable to pay such amount because of financial hardship, which shall include situations in which:

- a. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;
- b. The family would be evicted as a result of the imposition of the minimum rent requirement;
- c. The income of the family has decreased because of changed circumstances, including loss of employment;
- d. A death in the family has occurred.

If a resident requests a hardship exemption and the Housing Assistance Program reasonably determines the hardship to be of a temporary nature, an exemption shall not be granted during the 90-day period beginning upon the making of a request for the exemption. A resident shall not be evicted during the 90-day period for non-payment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long-term basis, the Housing Assistance Program shall retroactively exempt the resident from applicability of the minimum rent requirement for such 90-day period.

**4. Operation and Management**

The Baker County Housing Assistance Program manages approximately 150 Housing Choice Vouchers. The vouchers are issued by the U. S. Department of Housing and Urban Development (HUD) to help low-income families find affordable housing throughout Baker County. The Administrative Plan details all the rules and regulations for entering and remaining eligible for the Housing Choice Voucher Program. This document is on file at the main office.

**5. Grievance Procedures**

BCHAP has implemented policies which allow applicants and program participants who feel they have been unfairly denied access to the program to request a hearing in which they have the chance to state their case to an independent party. These policies are outlined in the Administrative Plan.

**6. Designated Housing for Elderly and Disabled Families**

This section does not apply since the Baker County Housing Assistance Program does not operate a Public Housing Program.

**7. Community Service and Self-Sufficiency**

The Baker County Housing Assistance Program is not required to have a Community Service Policy.

**8. Safety and Crime Prevention**

This section does not apply since the Baker County Housing Assistance Program does not operate a Public Housing Program.

**9. Pets**

The Baker County Housing Assistance Program is not required to have a Pet Policy.

**10. Civil Rights**

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

**11. Fiscal Audit**

The Fiscal Audit for the Year ended September 30, 2008 is provided as an attachment to the Agency Plan.

**12. Asset Management**

This section does not apply since the Baker County Housing Assistance Program does not operate a Public Housing Program.

**13. Violence Against Women Act**

The Baker County Housing Assistance Program (Agency) is striving to fully comply with all requirements of the Violence Against Women Act (VAWA).

First, the Agency will not deny admission to an applicant who has been a victim of domestic violence, dating violence, or stalking. The applicant must comply with all other admission requirements.

Also, the Agency will not terminate the assistance to a victim of domestic violence, dating violence, or stalking based solely on an incident or threat of such activity. The Agency still retains the right to terminate assistance for other criminal activity or good cause.

All information provided by an applicant or tenant regarding VAWA will be held in strict confidence and will not be shared with any other parties, unless required by law.

At this time, the Agency does not intend to put a victim of domestic violence admissions preference in place. The Executive Director will periodically review the need for such preference and may add an admissions preference for victim of domestic violence if a need is determined.

To make sure all applicants are aware of the Violence Against Women Act, the Agency notifies all applicants of the information included in the Act during the application process.

**7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-Based Vouchers**

**(a) Hope VI or Mixed Finance Modernization or Development**

This section does not apply since the Baker County Housing Assistance Program does not operate a Public Housing Program.

**(b) Demolition and/or Disposition**

This section does not apply since the Baker County Housing Assistance Program does not operate a Public Housing Program.

**(c) Conversion of Public Housing**

This section does not apply since the Baker County Housing Assistance Program does not operate a Public Housing Program.

**(d) Homeownership**

This section does not apply since the Baker County Housing Assistance Program does not operate a Public Housing Program.

**(e) Project-Based Vouchers**

The Baker County Housing Assistance Program does not plan to use the Project-Based Voucher Program in the upcoming fiscal year.

## 8.0 Capital Improvements

### 8.1 Capital Fund Annual Statement/Performance and Evaluation Report

The Baker County Housing Assistance Program does not receive funding through the Capital Fund Program.

### 8.2 Capital Fund Program Five-Year Plan

See above.

### 8.3 Capital Fund Financing Program (CFFP)

See above.

## 9.0 Housing Needs

### Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Income <= 30% of AMI	149	5	5	5	3	4	4
Income >30% but <=50% of AMI	101	4	4	4	3	3	3
Income >50% but <80% of AMI	68	3	3	3	3	2	3
Elderly	52	3	3	3	4	2	3
Families with Disabilities	98	3	4	4	5	4	4
White	285	3	3	3	3	3	3
Black	50	3	3	3	3	3	3
Hispanic	18	3	3	3	3	3	3
Native American	4	3	3	3	3	3	3

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s  
Indicate year:
- U.S. Census data: the Comprehensive Housing Affordability Strategy (“CHAS”) dataset
- American Housing Survey data  
Indicate year:
- Other housing market study  
Indicate year:
- Other sources: (list and indicate year of information)

## 9.1 Strategy for Addressing Housing Needs

### Strategies

#### **Need: Shortage of affordable housing for all eligible populations**

##### **Strategy 1: Maximize the number of affordable units available to the PHA within its current resources by:**

- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program

##### **Strategy 2: Increase the number of affordable housing units by:**

- Apply for additional section 8 units should they become available

#### **Need: Specific Family Types: Families at or below 30% of median**

##### **Strategy 1: Target available assistance to families at or below 30 % of AMI**

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- Adopt rent policies to support and encourage work

**Need: Specific Family Types: Families at or below 50% of median**

**Strategy 1: Target available assistance to families at or below 50% of AMI**

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work

**Need: Specific Family Types: Families with Disabilities**

**Strategy 1: Target available assistance to Families with Disabilities:**

- Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- Affirmatively market to local non-profit agencies that assist families with disabilities

**Need: Specific Family Types: Races or ethnicities with disproportionate housing needs**

**Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:**

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs

**Strategy 2: Conduct activities to affirmatively further fair housing**

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- Market the section 8 program to owners outside of areas of poverty /minority concentrations

### **Reasons for Selecting Strategies**

- Funding constraints
- Limited availability of sites for assisted housing
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Community priorities regarding housing assistance

## **10.0 Additional Information**

### **(a) Progress in Meeting Goals and Objectives**

On an on-going basis, the Baker County Housing Assistance Program strives to operate the Housing Choice Voucher Program in an efficient manner while providing excellent customer satisfaction.

### **(b) Significant Amendment and Substantial Deviation/Modification**

#### **Substantial Deviation from the 5-year Plan:**

A “Substantial Deviation” from the 5-Year Plan is an overall change in the direction of the Baker County Housing Assistance Program pertaining to the Program’s Goals and Objectives. This includes changing the Program’s Goals and Objectives.

#### **Significant Amendment or Modification to the Annual Plan:**

A “Significant Amendment or Modification” to the Annual Plan is a change in a policy or policies pertaining to the operation of the Baker County Housing Assistance Program. This includes the following:

- Changes to rent or admissions policies or organization of the waiting list

### **(c) Memorandum of Agreement**

The Baker County Housing Assistance Program has not entered into a Memorandum of Agreement with the U. S. Department of Housing and Urban Development.

### **(d) Resident Advisory Board Comments**

Other than general support of the FY2010 Agency Plan, there were no specific comments from the Resident Advisory Board concerning the Plan.

### **(e) Challenged Elements**

No elements of the FY2010 Agency Plan were challenged.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

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**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION AND SINGLE AUDIT**

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**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

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# MALCOLM JOHNSON & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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DeBary, Florida 32753-0848

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## INDEPENDENT AUDITOR'S REPORT

Baker County Board of County Commissioners -  
Housing Assistance Program  
Macclenny, Florida

HUD, Jacksonville Area Office  
Office of Public Housing  
301 W. Bay Street, Suite 2200  
Jacksonville, Florida 32202

We have audited the basic financial statements of the Baker County Board of County Commissioners - Housing Assistance Program ("the Authority") as of and for the year ended September 30, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

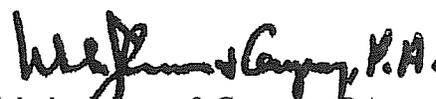
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2008, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2009, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis as detailed in this Report, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries made of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority. The supplemental 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 been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Malcolm Johnson & Company, P.A.  
Certified Public Accountants

DeBary, Florida  
May 18, 2009

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS -  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2008**

As management of Baker County Board of County Commissioners – Housing Assistance Program (the Authority), we offer the readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2008. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Baker County Board of County Commissioners – Housing Assistance Program, 402 Stansell Avenue, P.O. Box 977, Macclenny, Florida 32063.

**Financial Highlights**

- The assets of the Authority exceeded its liabilities as of September 30, 2008 by \$74,835 (net assets).
- The Authority's unrestricted net assets and restricted net assets as of September 30, 2008 were \$40,100 and \$33,558 respectively.
- The Authority's total operating revenue was \$691,524 for the year ended September 30, 2008.

**Overview of Financial Statements**

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

- **Statement of Net Assets** – reports the Authority's assets and liabilities at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- **Statement of Revenue, Expenses and Change in Net Assets** – the results of activity over the course of the fiscal year. It details the costs associated with operating the Authority and how those costs were funded. It also provides an explanation of the change in net assets from the previous fiscal year end to the current fiscal year end.
- **Statement of Cash Flows** – reports the Authority's cash flows in and out from operating activities, capital and related financing activities and investing activities. It details the sources of the Authority's cash, what it was used for, and the change in cash over the course of the fiscal year.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

The attached analysis of entity wide net assets, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting. Our analysis of the Authority as a whole begins on the next page.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis presents the Authority's net assets, which can be thought of as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The net assets analysis will allow the reader to measure the health or financial position of the Authority.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS -  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2008  
(Continued)**

**Overview of Financial Statements (concluded)**

Over time, significant changes in the Authority's net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

At FYE 2008, total assets were \$75,774; total current assets were \$74,597.

In addition, total liabilities were \$939. There were no long-term (non-current) liabilities at the end of FYE 2008.

Net Assets – The difference between an organization's assets and its liabilities equals its net assets. There are three categories in which to classify Net assets and they are the following:

**Invested in capital assets, net of related debt** – Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets:

**Restricted** – net assets whose use is subject to constraints imposed by law or agreement;

**Unrestricted** – net assets that are not invested in capital assets subject to restrictions.

**Comparative Financial Information**

**Assets, Liabilities and Net Assets:**

<b>ASSETS</b>	<b>2007</b>	<b>2008</b>
Current Assets	\$ 105,975	\$ 74,597
Net Capital Assets	1,820	1,177
<b>Total Assets</b>	<b>107,795</b>	<b>75,774</b>
<b>LIABILITIES</b>		
Current Liabilities	1,540	939
<b>Total Liabilities</b>	<b>1,540</b>	<b>939</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	1,820	1,177
Restricted - renewal and replacement	-	33,558
Unrestricted net assets	104,435	40,100
<b>Total Net Assets</b>	<b>106,255</b>	<b>74,835</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 107,795</b>	<b>\$ 75,774</b>

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS -  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2008  
(Continued)**

Current assets decreased by \$31,378 representing 30% decrease from the prior fiscal year. The reason for the decrease is due to: a decrease in cash of 32,240 and an increase in prepaid expenses of \$862.

At FYE 2008, the Authority had no long-term debt related to capital assets.

This schedule reflects a decrease in net assets of \$31,420 which is explained on the following page.

**Comparative Financial Information (concluded)**

**Revenue, Expenses and Changes in Net Assets:**

	<u>2007</u>	<u>2008</u>
<b>Operating Revenue</b>		
HUD grants	\$ 662,200	\$ 688,640
Other Revenue	3,445	2,884
<b>Total Operating Revenue</b>	<u>665,645</u>	<u>691,524</u>
 <b>Operating Expenses</b>		
Administrative	68,460	74,372
General expenses	2,730	1,274
Housing Assistance payments	562,144	647,613
Depreciation expense	306	643
<b>Total Operating Expenses</b>	<u>633,640</u>	<u>723,902</u>
 <b>Operating Gain/(Loss)</b>	<b>32,005</b>	<b>(32,378)</b>
 <b>Non-operating Revenue (Expenses)</b>		
Investment income - unrestricted	2,236	958
<b>Total Non-operating Revenue (Expenses)</b>	<u>2,236</u>	<u>958</u>
 <b>Net Gain/(Loss)</b>	<b>34,241</b>	<b>(31,420)</b>
 <b>Net Assets, beginning of year</b>	<u>72,014</u>	<u>106,255</u>
<b>Net Assets, end of year</b>	<u>\$ 106,255</u>	<u>\$ 74,835</u>

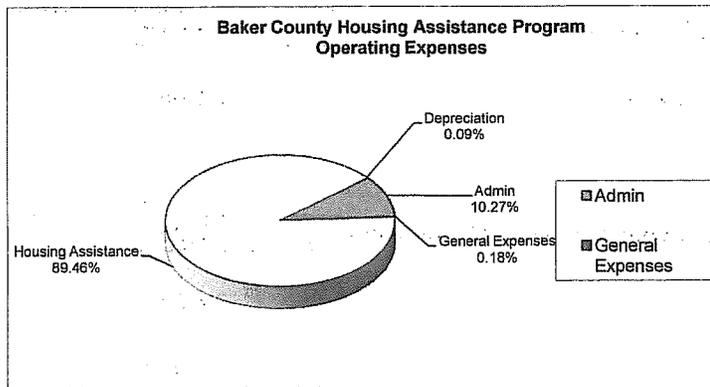
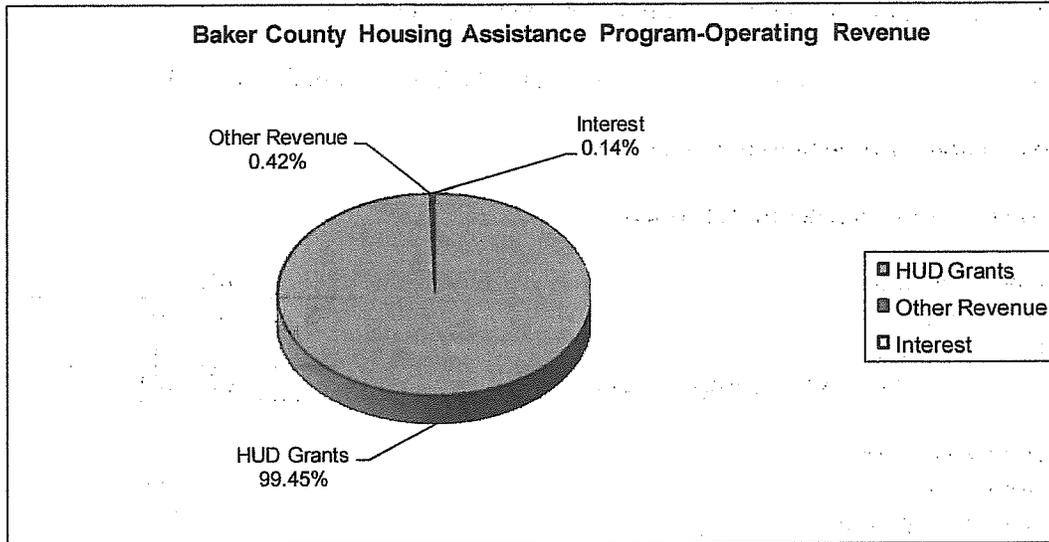
The over all cost of general operations increased by \$90,262 due to increases to administrative expenses of \$5,912, depreciation expenses of \$337 and housing assistance payments of \$85,469; decreases were to general expenses of \$1,456.

Interest income decreased by \$1,278 from the prior year due to low interest rates.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS -  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2008  
(Continued)**

In FYE 2008, total operating revenue was \$691,524, while total operating expenses were \$723,902. Net non-operating revenue was \$958. This resulted in a \$31,420 net loss in operations.



**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS -  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2008  
(Continued)**

**Fund Accounting**

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

**Authority's Funds**

- Housing Choice Voucher Program (CFDA 14.871)

**Economic Factors**

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development,
- Local labor supply and demand, which can affect salary and wage rates,
- Local inflationary, reversionary and employment trends, which can affect resident incomes and therefore the amount of rental income,
- Inflationary pressure on utility rates, supplies and other costs.
- Hurricane related damages and hurricane impact upon the rental market.

**Capital Asset And Debt Activity**

Total net capital assets decreased by \$643 due to depreciation for the year.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS-  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2008**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 40,177
Restricted cash - escrowed HUD reserve	33,558
Prepaid insurance	862
<b>Total current assets</b>	<b>74,597</b>

**Noncurrent assets**

**Capital assets**

Depreciable, net	1,177
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<b>Total assets</b>	<b>75,774</b>
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**LIABILITIES**

**Current liabilities**

Due to other governments	939
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<b>Total liabilities</b>	<b>939</b>
--------------------------	------------

**NET ASSETS**

Invested in capital assets	1,177
Restricted - renewal and replacement	33,558
Unrestricted	40,100
<b>Total net assets</b>	<b>\$ 74,835</b>

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

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS-  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<b>Operating revenues</b>	
<b>Other revenue</b>	<b>\$ 2,884</b>
<b>Operating expenses</b>	
Administrative	74,372
General expenses	1,274
Housing assistance payments	647,613
Depreciation	643
<b>Total operating expenses</b>	<b>723,902</b>
<b>Operating loss</b>	<b>(721,018)</b>
<b>Nonoperating revenues</b>	
Governmental grants	688,640
Interest revenue	958
<b>Total nonoperating revenues</b>	<b>689,598</b>
<b>Decrease in net assets</b>	<b>(31,420)</b>
<b>Net assets, beginning of year</b>	<b>106,255</b>
<b>Net assets, end of year</b>	<b>\$ 74,835</b>

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

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS-  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**Cash Flows From Operating Activities**

Other receipts	\$ 2,884
Payments to suppliers	(22,788)
Payments to/for employees	(53,720)
Payments to landlords	(647,613)
	(721,237)
<b>Net cash used by operating activities</b>	<b>(721,237)</b>

**Cash Flows From Noncapital Financing Activities**

Operating grants	<b>688,039</b>
------------------	----------------

**Cash Flows From Investing Activities**

Interest	958
<b>Net cash provided by investing activities</b>	<b>958</b>

<b>Net decrease in cash and cash equivalents</b>	<b>(32,240)</b>
--	-----------------

<b>Balance - beginning of the year</b>	<b>105,975</b>
--	----------------

<b>Balance - end of the year</b>	<b>\$ 73,735</b>
----------------------------------	------------------

**Reconciliation of Cash Flows to Statement of Net Assets**

Cash and cash equivalents	\$ 40,177
Restricted cash - escrowed replacement reserve	33,558
	<b>\$ 73,735</b>

There were no noncash investing, capital and financing activities.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS-  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
(Continued)**

**Reconciliation of Net Operating Loss to  
Net Cash Used By Operating Activities**

<b>Operating loss</b>	<b>\$ (721,018)</b>
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation elimination	643
Increase in prepaid expenses	<u>(862)</u>
<b>Net cash used by operating activities</b>	<b><u><u>\$ (721,237)</u></u></b>

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

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008**

**A - Summary of Significant Accounting Policies and Organization:**

- 1. Organization:** The Baker County Board of County Commissioners – Housing Assistance Program (“the Authority”) was organized to provide rental assistance for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD).

The Program’s activities are managed under an agreement with Macclenny Housing Authority.

- 2. Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has no component units.

The basic financial statements of the Baker County Board of County Commissioners – Housing Assistance Program is comprised of a HUD Housing Choice Vouchers program only.

- 3. Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Pursuant to the election option made available by *GASB Statement No. 20, Pronouncements of the Financial Accounting Standards Board (FASB)* issued after November 30, 1989 are applied in the preparation of the basic financial statements, unless those pronouncements conflict with or contradicts GASB pronouncements.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net asset categories:

**Invested in Capital Assets, Net of Related Debt** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**Restricted** - Net assets whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or the expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008  
(Continued)**

**A - Summary of Significant Accounting Policies and Organization: (Continued)**

**3. Basis of Presentation and Accounting: (Continued)**

- Unrestricted** – Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.
- 4. Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.
- 5. Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents.
- 6. Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority’s agent in the Authority’s name.
- 7. Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the September 30, 2008 are recorded as prepaid items.
- 8. Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
- 9. Fair Value of Financial Instruments:** The carrying amount of the Authority’s financial instruments at September 30, 2008 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

**10. Capital Assets:**

- a. Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008  
(Continued)**

**A - Summary of Significant Accounting Policies and Organization: (Continued)**

**10. Capital Assets: (Continued)**

**a. Book Value: (Continued)**

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

**b. Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

**c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$1,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

**11. Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

**12. Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable and the loss is reasonably estimable.

**13. Annual Contribution Contracts:** Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of the Section 8 Program. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

**14. 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 Board carries commercial insurance for certain risks of loss, including fidelity bond. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

The Authority participates in public entity risk pool (Housing Authority Risk Retention Group) for all risks of loss, including workers' compensation general liability, fire and extended coverage, automobile and Director and Officers liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008  
(Continued)**

**A - Summary of Significant Accounting Policies and Organization: (Continued)**

**15. Use of Restricted Assets:** It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**16. Operating Revenues and Expenses:** The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**B - Deposits and Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

**1. HUD Deposit and Investment Restrictions**

HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

**2. Risk Disclosures**

**a. Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase.

At September 30, 2008, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

**b. Credit Risk:** This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

**c. Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008  
(Continued)**

**B - Deposits and Cash and Cash Equivalents: (Continued)**

**2. Risk Disclosures (Continued)**

**c. Custodial Credit Risk: (Continued)**

The carrying amounts of the Authority's cash deposits were \$73,735 at September 30, 2008. Bank balances before reconciling items were \$79,335 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name.

**C - Land, Buildings and Equipment:**

	<b>Balance September 30, 2007</b>	<b>Additions</b>	<b>Balance September 30, 2008</b>
<b>Depreciable:</b>			
Equipment	\$ 9,788	\$ -	\$ 9,788
Accumulated depreciation	(7,968)	(643)	(8,611)
<b>Net equipment</b>	<b>1,820</b>	<b>(643)</b>	<b>1,177</b>
<b>Net depreciable assets</b>	<b>1,820</b>	<b>(643)</b>	<b>1,177</b>
<b>TOTAL</b>	<b>\$ 1,820</b>	<b>\$ (643)</b>	<b>\$ 1,177</b>

**D - Due to Other Governments:**

Macclenny Housing Authority **\$ 939**

**E - Related Party:** The Macclenny Housing Authority is the contracted managing agent for this Authority. The Macclenny Housing Authority at times pays expenses for and provides services to the program, and is subsequently reimbursed. At September 30, 2008, the Authority owed the Macclenny Housing Authority \$939.

**F - Annual Contributions by Federal Agencies:**

**Annual Contributions Contract** - Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The Authority provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. The Authority is also eligible to receive reimbursement of preliminary expenses prior to lease up.

HUD contributions for the year ended September 30, 2008, were as follows:

Housing Choice Vouchers **\$688,640**

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**NOTES TO BASIC FINANCIAL STATEMENTS  
September 30, 2008  
(Continued)**

- G - Retirement Commitments:** Employees assigned to this Program are actually employed by the Macclenny Housing Authority, which participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State.

The Macclenny Housing Authority audit report details the Plan, and can be obtained by contacting the Macclenny Housing Authority.

- H - Economic Dependency:** The Authority receives approximately 99% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.
- I - Contingencies:** The Program is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended September 30, 2008.
- J - Decrease in Net Assets:** The decrease in net assets is expected to be absorbed through operations in subsequent fiscal years. No fund deficit is expected as a result of the current year loss.

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS-  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>CFDA NUMBER</u>	<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>PASS THRU ENTITY</u>	<u>FEDERAL EXPENDITURES</u>
<b>U.S. Department of Housing and Urban Development:</b>			
14.871	Housing Choice Vouchers	NA	\$ 688,640
	<b>Total Federal Awards Expenditures</b>		<b>\$ 688,640</b>

**Notes to the Schedule of Expenditures of Federal Awards**

**A. Basis of Accounting**

This schedule is prepared on the accrual basis of accounting.

**B.** The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations".

**C. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule**

FDS line 706	HUD PHA Grants	\$ 688,640
		<b>\$ 688,640</b>

**SUPPLEMENTAL INFORMATION**

**SINGLE AUDIT SECTION**

MALCOLM JOHNSON & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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210 N. Highway 17-92  
DeBary, Florida 32753-0848

Phone (386) 668-6464 Fax (386) 668-6463

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

Baker County Board of County Commissioners -  
Housing Assistance Program  
Macclenny, Florida

HUD, Jacksonville Area Office  
Office of Public Housing  
301 W. Bay Street, Suite 2200  
Jacksonville, Florida 32202

We have audited the basic financial statements of the Baker County Board of County Commissioners - Housing Assistance Program ("the Authority") as of and for the year ended September 30, 2008, and have issued our report thereon dated May 18, 2009, which included a disclaimer of opinion on Management's Discussion and Analysis. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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*.

This report is intended solely for the information and use of the Authority's management, the Authority's Board of Commissioners, others within the entity, and the U.S. Department of HUD and is not intended to be and should not be used by anyone other than these specified parties.

  
Malcolm Johnson & Company, P.A.  
Certified Public Accountants

DeBary, Florida  
May 18, 2009

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Baker County Board of County Commissioners -  
Housing Assistance Program  
Macclenny, Florida

HUD, Jacksonville Area Office  
Office of Public Housing  
301 W. Bay Street, Suite 2200  
Jacksonville, Florida 32202

**Compliance**

We have audited the compliance of the Baker County Board of County Commissioners - Housing Assistance Program ("the Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended September 30, 2008. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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 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. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

**Internal Control Over Compliance**

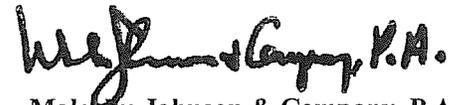
The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Authority's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, the U.S. Department of HUD and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Malcolm Johnson & Company, P.A.  
Certified Public Accountants

DeBary, Florida  
May 18, 2009

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Basic Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

~ Material weakness(es) identified? No

~ Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

Noncompliance material to basic financial statements noted? No

**Federal Awards**

Internal control over major programs:

~ Material weakness(es) identified? No

~ Significant deficiency(s) identified that are not considered to be material weakness(es)? None reported

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

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

Identification of major programs:

<b>CFDA Number</b>	<b>Name of Federal Program</b>
14.871	Housing Choice Vouchers

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

Auditee qualified as low-risk auditee? Yes

**BAKER COUNTY BOARD OF COUNTY COMMISSIONERS –  
HOUSING ASSISTANCE PROGRAM  
Macclenny, Florida**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**SECTION II – BASIC FINANCIAL STATEMENT FINDINGS**

There were no Basic Financial Statement Findings.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no Federal Award Findings and Questioned Costs.

**SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no Prior Audit Findings.