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February 11, 2013

Board of Commissioners
Housing Authority of the City of Bloomington
1007 N. Summit Street
Bloomington, IN 47404

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period October 1, 2010 to September 30, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Bloomington, as of September 30, 2011 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding in the report, on page 35, addressing a lack of internal controls over cash receipts.

The Independent Public Accountant's report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**HOUSING AUTHORITY
OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2011

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

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Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

I have audited the accompanying financial statements of the Housing Authority of the City of Bloomington, as of and for the year ended September 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of Bloomington's management. My responsibility is to express opinions on these financial statements based on my audit.

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

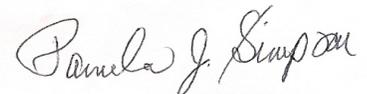
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Bloomington, as of September 30, 2011, and the respective changes in financial position and cash flows in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 23, 2012 on my consideration of the Housing Authority of the City of Bloomington's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements with other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures on the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial systems. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Housing Authority of the City of Bloomington's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Housing Authority of the City of Bloomington. The accompanying financial data schedule and other additional statements and schedules listed as supplemental data in the table of contents has been subjected to the auditing procedures and certain other additional procedures in accordance with auditing standards generally accepted in the United States of America . In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, I do not express an opinion or provide any assurance on it.



Certified Public Accountant

Decatur, Illinois
March 23, 2012

BLOOMINGTON HOUSING AUTHORITY
BLOOMINGTON, INDIANA

MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING SEPTEMBER 30, 2011

The management of the Bloomington Housing Authority (PHA) offers this narrative overview and analysis of its unaudited financial statements for fiscal year ended September 30, 2011. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS:

- The assets of the PHA exceed its liabilities as of September 30, 2011 by \$10,093,170 (Net Assets).
- The PHA's investment in Capital Assets-net of related debt as of September 30, 2011 was \$6,667,801.
- The PHA's total revenue for the fiscal year end September 30, 2011 was \$11,477,460.
- The PHA's total expenses for the fiscal year end September 30, 2011 was \$10,961,016.
- Therefore, the PHA's total revenues exceed its' total expenses by \$516,444.

OVERVIEW OF THE FINANCIAL STATEMENTS:

The following financial statements are included in this report:

- *Statement of Net Assets* – reports the Authority's current financial resources: its cash and other current assets, its current and non-current liabilities and comparing those two elements, the resulting net assets of the PHA. A comparison between this year and the preceding year is also provided.
- *Statement of Revenue and Expenses* – reports the PHA's various revenue and expenses and provides a comparison between this year and the preceding year.

BLOOMINGTON HOUSING AUTHORITY
BLOOMINGTON, INDIANA

MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING SEPTEMBER 30, 2011

ANALYSIS OF FINANCIAL STATEMENTS:

STATEMENT OF NET ASSETS

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Cash & Investments	3,653,441	3,402,073	251,368
Other Current Assets	221,637	165,905	55,732
Other Assets	34,550	36,891	(2,341)
Capital Assets	9,271,781	9,100,196	171,585
Total Assets	<u>13,181,409</u>	<u>12,705,065</u>	<u>476,344</u>
Current Liabilities	502,631	520,684	(18,053)
Long Term Liabilities	2,585,608	2,608,049	(22,441)
Total Liabilities	<u>3,088,239</u>	<u>3,128,733</u>	<u>(40,494)</u>
Invested in Capital Assets	6,667,801	6,346,889	320,912
Restricted Net Assets	1,488,975	1,272,904	216,071
Unrestricted Assets	1,936,394	1,956,539	(20,145)
Total Net Assets	<u>10,093,170</u>	<u>9,576,332</u>	<u>516,838</u>

The increase in cash is due, in part, to more operating grants received in the fiscal year.

The increase in capital assets is due to the following: (1) the closing out of Capital Fund Grants from 2007 & ARRA into the Low Rent Balance Sheets.

The decrease in current liabilities is due to the following: (1) much lower payables to HUD from our capital fund programs and also from SRO and VASH.

The decrease in long term Liabilities is due to the repayment of the CFFP Bond and also the Energy Performance Contract Loan.

BLOOMINGTON HOUSING AUTHORITY
BLOOMINGTON, INDIANA

MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING SEPTEMBER 30, 2011

ANALYSIS OF STATEMENT OF REVENUE & EXPENSES
PRIOR AND CURRENT FISCAL YEAR:

	<u>Year Ending September 30</u>		<u>Increase</u>
REVENUE	<u>2011</u>	<u>2010</u>	<u>(Decrease)</u>
Tenant Revenue	645,442	685,160	(39,718)
HUD Operating and Capital Grants	10,183,396	10,621,830	(438,434)
Other Governmental Grants	522,184	126,775	395,409
Interest-Unrestricted	8,727	15,310	(6,583)
Interest-Restricted	6,582	8,644	(2,062)
Other Revenue	56,977	91,743	(34,766)
Fraud Recovery	54,152	60,461	(6,309)
Other Fees	-	-	-
Gain(Loss) on Sale of Asset	-	(1,701)	1,701
Total Revenue	<u>11,477,460</u>	<u>11,608,222</u>	<u>(130,762)</u>
EXPENSES			
Administrative expenses	1,088,996	1,292,693	(203,697)
Tenant Services	129,691	6,076	123,615
Utilities	390,539	379,355	11,184
Ordinary Maintenance	601,365	574,025	27,340
Protective Services	17,976	-	17,976
General Expenses	142,120	207,996	(65,876)
Insurance Expense	89,777	81,145	8,632
Interest Expense	127,940	133,683	(5,743)
Housing Assistance Payments	7,420,652	7,375,376	45,276
Extraordinary Maintenance	171,257	70,376	100,881
Casualty Losses	24,149	59,205	(35,056)
HAP Portability In	5,917	22,420	(16,503)
Fraud Losses	14,498	26,151	(11,653)
Depreciation	736,139	686,993	49,146
Total Expenses	<u>10,961,016</u>	<u>10,915,494</u>	<u>45,522</u>
Excess of Revenue Over Expenses	<u>516,444</u>	<u>\$ 692,728</u>	

BLOOMINGTON HOUSING AUTHORITY
BLOOMINGTON, INDIANA

MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING SEPTEMBER 30, 2011

The decrease in tenant revenue is because (1) we started a renovation in the Crestmont community that had up to 12 units at a time offline.

The decrease in Housing and Urban Development (HUD) Operating & Capital Grants is primarily due to the following: (1) Lower funding levels from HUD in our Voucher program and across the board.

The decrease in interest income, both restricted and non-restricted, are due to the following: (1) a decrease in interest rates by financial institutions.

The decrease in Administrative expenses is due to the following: (1) a reduction in workforce in the Voucher Program due to funding cuts (2) an overall decreased in spending because of budget restrictions.

The increase in tenant services is largely due to a reclassification of FSS Salaries on the FDS.

The decrease in General Expenses is mainly due to other general expenses reported in the Voucher program last year.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the PHA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Jennifer J. Osterholt, Executive Director, Bloomington Housing Authority, 1007 North Summit, Bloomington, IN 47404.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2011**

ASSETS

CURRENT ASSETS

Cash	\$ 1,190,276
Accounts receivable (interfund eliminated)	144,127
Investments	825,982
Inventory	42,273
Deferred charges	<u>35,237</u>

Total Current Assets \$ 2,237,895

RESTRICTED ASSETS

Cash	<u>\$ 1,637,183</u>
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Total Restricted Assets \$ 1,637,183

CAPITAL ASSETS

Land, buildings and equipment	\$ 17,191,821
Less: Accumulated depreciation	<u>-7,920,040</u>

Net Capital Assets \$ 9,271,781

OTHER ASSETS

Other (net of amortization)	<u>\$ 34,550</u>
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Total Assets \$ 13,181,409

LIABILITIES

CURRENT LIABILITIES

Accounts payable (interfund eliminated)	\$ 255,110
Notes payable	156,310
Accrued liabilities	74,022
Deferred revenue	<u>17,189</u>

Total Current Liabilities \$ 502,631

NONCURRENT LIABILITIES

Notes payable	\$ 2,447,670
FSS escrow	131,605
Accrued liabilities	<u>6,333</u>

Total Noncurrent Liabilities \$ 2,585,608

NET ASSETS

Invested in capital assets	\$ 6,667,801
Restricted	1,488,975
Unrestricted	<u>1,936,394</u>

Total Net Assets \$ 10,093,170

The notes to financial statements are an integral part of this statement.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**STATEMENT OF REVENUE AND EXPENDITURES - PROPRIETARY FUNDS
AND CHANGES IN NET ASSETS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011**

<u>Operating Income</u>	
Tenant rental revenue	\$ 542,045
Tenant revenue - other	<u>103,397</u>
 Total Rental Revenue	 \$ 645,442
 HUD grants - operating	 9,795,878
Other government grants	522,184
Fraud recovery	54,152
Other revenue	<u>56,977</u>
 Total Operating Income	 <u>\$ 11,074,633</u>
<u>Operating Expenses</u>	
Administration	\$ 1,088,996
Tenant services	129,691
Utilities	390,539
Ordinary maintenance and operation	601,365
Protective services	17,976
General expense	246,395
Extraordinary maintenance	171,257
Casualty losses	24,149
Housing assistance payments	7,426,569
Depreciation	<u>736,139</u>
 Total Operating Expenses	 <u>\$ 10,833,076</u>
 Net Operating Income (Loss)	 <u>\$ 241,557</u>
<u>Nonoperating Income (Expense)</u>	
Interest expense	\$ -127,940
Interest income	<u>15,309</u>
 Total Nonoperating Income (Expense)	 <u>\$ -112,631</u>
<u>Capital Contributions</u>	
Capital fund grants	<u>\$ 387,518</u>
 Total Capital Contributions	 <u>\$ 387,518</u>
 Changes in net assets	 \$ 516,444
Net assets, beginning of year	9,576,332
Prior year adjustments	<u>394</u>
 Net assets, end of year	 <u>\$ 10,093,170</u>

The notes to financial statements are an integral part of this statement.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011**

Operating Activities

Operating grants	\$ 10,320,767
Tenant revenue	658,719
Other revenue	111,129
Housing assistance payments	-7,426,569
Payments to employees	-1,008,097
Payments to suppliers and contractors	<u>-1,622,417</u>

Net Cash Provided (Used) by Operating Activities \$ 1,033,532

Investing Activities

Investments (purchased) redeemed	\$ 570,113
Interest income	<u>15,309</u>

Net Cash Provided (Used) by Investing Activities \$ 585,422

Capital and Related Financing Activities

HUD grants - capital	\$ 387,518
(Additions) to fixed assets	-907,724
Interest expense	-127,940
Issuance (retirement) of debt	<u>-149,327</u>

Net Cash Provided (Used) by
Capital and Related Financing Activities \$ -797,473

Net Change in Cash \$ 821,481

Cash Balance at September 30, 2010 2,005,978

Cash Balance at September 30, 2011 \$ 2,827,459

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011**

Reconciliation of Operating Income (Loss) to Net Cash
Provided (Used) by Operating Activities

Net operating income (loss)	\$ 241,557
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	736,139
Adjustment to net assets	394
(Increase) decrease in accounts receivable	-79,019
(Increase) decrease in deferred charges	-4,704
(Increase) decrease in inventory	27,991
(Increase) decrease in other assets	2,341
Increase (decrease) in accounts payable	79,255
Increase (decrease) in accrued liabilities	14,695
Increase (decrease) in deferred revenues	-3,969
Increase (decrease) in other liabilities	<u>18,852</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,033,532</u>

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Housing Authority of the City of Bloomington was established by the City of Bloomington pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Housing Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other applicable Federal Agencies.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) had direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into a contract with the Authority for the purpose of assisting in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the program for the purpose of maintaining its low-rent character.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City of Bloomington and concluded that the City does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the Mayor, is responsible for the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the City government. Debt incurred by the Authority is not an obligation of the City; the City does not review or approve the Authority's budget, is not entitled to any surplus funds generated by the Authority's operations and is not responsible for any deficits incurred by the Authority.

The Authority is governed by a Board of Commissioners appointed by the office of the Mayor, and has governance responsibilities over all activities related to all housing activities within the City. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the Mayor, i.e. they can only be removed for cause. The Authority's Board elects its own chairperson.

Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Housing Authority of the City of Bloomington is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

(b) Method of Accounting -

The financial statements of the Housing Authority have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

The Housing Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case, GASB prevails.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(c) Financial Statement Presentation

Although a formal policy has not been adopted, in financial statement preparation the Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, maintenance, insurance, depreciation, utilities, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

(d) Funds -

Each of the programs of the Housing Authority are organized on a basis of fund accounting, using a separate set of self balancing accounts as prescribed by HUD. The programs of the Housing Authority are:

- * Low Rent Public Housing (Amps)
- * Housing Choice Vouchers
- * Section 8 Moderate Rehabilitation Single Room Occupancy
- * Capital Fund Program
- * CDBG
- * State and Local
- * HUD - Veterans Affairs Supportive Housing
- * HOME Investment Partnerships Program
- * COCC

These programs are all accounted for within the 'Proprietary' (enterprise) fund as described below:

Proprietary Fund Types:

Proprietary funds use the economic resources measurement focus and utilize the accrual basis of accounting. All assets and liabilities associated with a proprietary fund's activities are included on the fund statement. Proprietary fund equity is segregated into Invested in Capital Assets Net of Related Debt, Restricted Net Assets and Unrestricted Net Assets.

(e) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Housing Authority considers all highly liquid deposits to be cash equivalents. As a matter of practice only demand deposits (checking accounts) are reported as cash/cash equivalents.

(f) Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net assets and have been eliminated in the basic financial statements.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(g) Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net assets and have been eliminated in the basic financial statements.

(h) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at September 30, 2011, and does not take into consideration prepaid amounts. The Housing Authority provides for an allowance for doubtful accounts, based on the estimated collections of current accounts receivables. The Housing Authority periodically writes off uncollectible accounts receivable to the allowance account based on a review of the current status of existing receivables and the determination that the receivable will not be collected.

(i) Inventories and Materials -

Inventories and materials are stated at cost which approximates market determined on a first-in, first-out basis.

(j) Investments -

Investments are stated at cost which approximates market.

(k) Fixed Assets -

For the purpose of determining, distinguishing and recording materials and non-expendable equipment and personal property purchased or acquired in connection with development, management, and maintenance of public housing developments owned or operated, the Housing Authority follows the following capitalization policy:

If the initial cost of a piece of equipment and/or other personal property is two thousand dollars (\$2,000) or more and the anticipated life or useful life of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(k) Fixed Assets - Continued

Land, buildings and equipment contains the following:

- 1) The total development construction costs incurred for each project at the end of the initial operating period,
- 2) nonexpendable equipment, and
- 3) property betterments and additions
- 4) land acquisitions.

These are recorded at cost. Depreciation of property and equipment is provided using the straight line method for financial reporting purposes at rates based on the following estimates:

Buildings	15 - 40	years
Equipment	5-7	years
Computers	5	years
Transportation equipment	7	years
Furniture and fixtures	7	years
Leasehold improvements	15	years

(l) Net Assets -

GASB Statement 34 requires the classification of net assets into three components as defined below:

- 1) Invested in capital assets, net of related debt - this component of net assets consists of capital assets, net of accumulated depreciation, costs to be recovered from future revenues and unamortized debt expense reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 2) Restricted - this component of net assets consist of constraints placed on net assets use through external constraints imposed by creditors, contributors or laws and regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted - this component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(m) Income Tax -

The Authority, organized as a non-profit corporation subsidized by the Federal government, is exempt from Federal and State income taxes.

(n) Annual Contributions/Subsidies and Other Grants

Annual contributions and subsidies received from the Department of HUD are recorded as grant revenues.

Other grants (such as CFP grants) are recognized when program expenditures are incurred. Such revenue is subject to review by the Department of Housing and Urban Development and may result in disallowance in subsequent periods.

(o) The Housing Authority adopts a budget annually. The budget and any subsequent revisions are submitted to the Board for approval.

(p) The preparation of financial statements in conformity with generally accepted accounting principles require the Housing Authority to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(q) Leasing activities (as lessor) - the Authority is the lessor of dwelling units mainly to low income and/or elderly and disables residents. The rents under the lease are determined generally by the resident's income as adjusted by eligible deductions regulated by HUD, although the resident may elect for a flat rent option. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

(r) Rental income is recognized as rents become due.

(s) At any time during the year and at year end, there are construction projects in process. These projects include modernizing rental units. The projects are funded by HUD and funds are requested periodically as costs are incurred.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 2 - Cash and Investments

Statutes authorize the Housing Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities.

All cash and investments are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company of the depository financial institutions. The deposits exceeding the insured or registered limits are public funds covered by the State of Indiana Public Deposit Fund.

Custodial Credit Risk

- a. Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to or that the Authority will not be able to recover collateral securities in the possession of an outside party.
- b. Investments - Custodial credit risk is the risk that in the event of the failure of the depository, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

Credit Risk Investments, Concentration of Credit Risk and Interest Rate Risks - Investments

Credit Risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Housing Authority has no investment policy that limits its investment choices other than the limitation of state law and/or the Department of Urban Development regulations.

Concentrations of Credit Risk is the risk of loss attributed to the amount of the investment in a single issuer. The Authority does not have a formal investment policy covering the concentration of credit risk.

Investment Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Authority has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

Category 1 - Deposits which are insured or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.

Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name.

Category 3 - Deposits which are not collateralized or insured.

Based on the three levels of risk, all of the Housing Authority's funds are classified as Category 1.

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Amps	\$ 718,496	\$ 825,715
Central Office Cost Center	697,016	690,264
Voucher	<u>1,411,947</u>	<u>1,435,266</u>
Total	<u>\$ 2,827,459</u>	<u>\$ 2,951,245</u>

Similar to cash deposits, investments held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Investments that are insured, registered or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.

Category 2 - Investments which are uninsured and unregistered held by the counter-party's trust department or agent in the Housing Authority's name.

Category 3 - Uninsured or unregistered investments held by the counter-party, its trust or its agent, but not in the Housing Authority's name.

Based on the three levels of risk, all of the Housing Authority's investments are classified as Category 1.

<u>Program</u>	<u>Book Balance</u>	<u>Market Value</u>
Amps	\$ 363,493	\$ 363,493
Voucher	<u>462,489</u>	<u>462,489</u>
Total	<u>\$ 825,982</u>	<u>\$ 825,982</u>

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 3 - Compensated Absences

Sick Leave

Regular full time employees will be allowed 6.42 hours of sick leave for each month worked beginning on date of employment. Regular part time employees will be allowed 3.5 hours. Employees may not begin using accrued sick time until the successful completion of their introductory period. Sick time may be accumulated to a maximum of 420 hours (hired prior to January 1, 2007) and 210 hours (hired after December 31, 2006) and may be taken in one-hour increments.

Vacation

Housing Authority of the City of Bloomington believes that employees should take their vacation days during the year so that the individual can rest and rejuvenate. All employees are eligible to accrue vacation time beginning on the date of employment. They may begin using accrued vacation time after successful completion of the 6-month introductory period. Vacation time is accrued monthly from an employee's anniversary date.

Planned time off must be scheduled a minimum of ten (10) days in advance and receive written approval by the employee's supervisor. The supervisor has the authority to withhold approval if it is in the best interest of Housing Authority of the City of Bloomington. Vacations are granted by date of request and needs of the Housing Authority of the City of Bloomington. Vacation time should be used in minimum increments of half days 3.5 (hours).

Employees' (hired prior to January 1, 2007) vacation time will be earned according to the following guidelines:

<u>Years of Employment</u>	<u>Full-Time Accrued Monthly</u>	<u>Part-Time Accrued Monthly</u>
0-1 year	5.83 hours	2.92 hours
2-4 years	8.75 hours	4.37 hours
5-9 years	11.66 hours	5.83 hours
10 years +	14.58 hours	7.29 hours

Regular full and part-time employees' (hired after December 31, 2006) vacation time will be earned according to the following guidelines:

<u>Years of Employment</u>	<u>Full-Time Accrued Monthly</u>	<u>Part-Time Accrued Monthly</u>
0-1 year	2.92 hours	1.46 hours
2-4 years	5.83 hours	2.92 hours
5-9 years	8.75 hours	4.38 hours
10 years +	11.66 hours	5.83 hours

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 4 - Defined Contribution Plan

The Housing Authority provides pension benefits for all of its regular full-time and part-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan requires the Housing Authority to contribute 10% of covered wages. Housing Authority contributions forfeited by employees who leave employment prior to vesting are used to reduced current costs and contribution requirements. Pension plan contributions made for the fiscal year ended September 30, 2011 were \$94,364 related to \$1,006,618 salaries/wages paid.

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

Accounts receivable - PHA projects	\$ 2,262
Accounts receivable - other government	86,955
Accounts receivable - miscellaneous	2,000
Tenants accounts receivable	8,204
Allowance for doubtful accounts - tenants	-3,665
Fraud recovery	79,346
Allowance for doubtful accounts - fraud	<u>-30,975</u>
Subtotal	\$ 144,127
Interfund	<u>198,751</u>
Total	<u>\$ 342,878</u>

Note 6 - Investments

At September 30, 2011 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	0.3-0.55%	<u>\$ 825,982</u>	<u>\$ 825,982</u>

Note 7 - Deferred Charges

This classification includes the following accounts:

Prepaid insurance	\$ 34,893
Other	<u>344</u>
Total	<u>\$ 35,237</u>

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 8 - Fixed Assets

Balance as of September 30, 2011	\$ 9,271,781
Balance as of September 30, 2010	<u>9,100,196</u>
Net Increase (Decrease)	<u>\$ 171,585</u>

Reconciliation

Property betterments and additions	\$ 866,855
Replacement of equipment	40,869
Current year depreciation expense	<u>-736,139</u> *
Net Increase (Decrease)	<u>\$ 171,585</u>

<u>Analysis</u>	10/01/2010 <u>Balance</u>	Additions/ <u>Transfers</u>	Deletions/ <u>Transfers</u>	09/30/2011 <u>Balance</u>
Land	\$ 934,929	\$ 0	\$ 0	\$ 934,929
Buildings	11,692,943	312,129	0	12,005,072
Equipment and furniture	353,943	40,869	0	394,812
Leasehold improvements	3,289,485	111,040	0	3,400,525
Construction in progress	<u>12,797</u>	<u>443,686</u>	<u>0</u>	<u>456,483</u>
Total	\$ 16,284,097	\$ 907,724	\$ 0	\$ 17,191,821
Accumulated depreciation	<u>-7,183,901</u>	<u>0</u>	<u>736,139</u> *	<u>-7,920,040</u>
Net Assets	<u>\$ 9,100,196</u>	<u>\$ 907,724</u>	<u>\$ 736,139</u>	<u>\$ 9,271,781</u>

* Current year depreciation expense.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 9- Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 65,089
Accounts payable - HUD	83,359
Tenants security deposits	53,997
Accounts payable - other	<u>52,665</u>
Subtotal	\$ 255,110
Interfund	<u>198,751</u>
Total	<u>\$ 453,861</u>

Note 10 - Long Term Debt

On August 4, 1987, the U.S. Department of Housing and Urban Development (HUD) issued notice PIH 87-212 to implement the provisions of the Housing and Community Development Reconciliation Amendments of 1985 (PL 99-272, enacted April 7, 1986). This notice states, in part, the following:

Project debt to HUD (HUD-held notes) will be forgiven after a debt forgiveness amendment to the consolidated Annual Contributions Contract has been executed by HUD and the Public Housing Authority and after the Actual Development Cost Certificate has been included in an audit and approved.

As a part of the HUD mandated GAAP conversion and the above referenced notice, all HUD-held notes were recorded as debt forgiveness during a prior fiscal year.

The detail of the Housing Authority's other long term debt at year end is set forth below:

	<u>Rate</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
Fannie Mae	4.75%	8/22/06	2/1/25	\$ 89,224	\$ 1,814,233	\$ 1,903,457
Bond Premium	-	-	2026	60	824	884
Energy Contract	4.48%	12/20/07	6/20/20	<u>67,026</u>	<u>632,613</u>	<u>699,639</u>
Total				<u>\$ 156,310</u>	<u>\$ 2,447,670</u>	<u>\$ 2,603,980</u>

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 10 - Long Term Debt (Continued)

Debt service requirements for the long term debt for the next five years are as follows:

<u>Due Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 156,310	\$ 118,614
2013	163,795	111,130
2014	171,549	103,376
2015	179,670	95,255
2016	188,128	86,796
Thereafter	1,744,528	

Note 11 - Accrued Liabilities

Current Portion:

Accrued compensated absences	\$ 57,848
Accrued liabilities - other	<u>16,174</u>
Total Current Portion	\$ 74,022

Noncurrent Portion:

Accrued compensated absences	<u>6,333</u>
Total	<u>\$ 80,355</u>

Note 12 - Other Current Liabilities

This classification consists of the following accounts:

FSS escrow accounts	<u>\$ 131,605</u>
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**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 13 - Summary of Long Term Liabilities

The change in long term liabilities for the year ended September 30, 2011 is summarized as:

	10/01/2010			09/30/2011
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Notes payable	\$ 2,603,980	\$ 0	\$ 156,310	\$ 2,447,670
Accrued liabilities	4,069	2,264	0	6,333
FSS Escrow	<u>0</u>	<u>131,605</u>	<u>0</u>	<u>131,605</u>
Total	<u>\$ 2,608,049</u>	<u>\$ 133,869</u>	<u>\$ 156,310</u>	<u>\$ 2,585,608</u>

Note 14 - Deferred Revenue

This classification consists of the following accounts:

Tenants prepaid rent	\$ 16,603
Other deferred revenue	<u>586</u>
Total	<u>\$ 17,189</u>

Note 15 - Administrative Fee

The PHA receives an "Administrative Fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the HAP Program. The fee is a variable rate set by HUD annually.

Note 16 - Contingencies

Federal Grants

In the normal course of operations, the Housing Authority receives grant funds from the Department of Housing and Urban Development. The programs are subject to audit by agents of HUD, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED SEPTEMBER 30, 2011
(CONTINUED)**

Note 17 - Prior Period Adjustments

Prior period adjustments posted directly to surplus are detailed below:

Adjustment for prior year expenses	\$ -1,000
Year end settlement adjustment for 2009 - Section 8 MR	<u>1,394</u>
Total	<u>\$ 394</u>

Note 18 - Contracts/Commitments

As of September 30, 2011, the Housing Authority had entered into the following pending construction projects in progress:

	<u>Funds Approved</u>	<u>Funds Expended To Date</u>
CFP 501-10	<u>\$ 550,916</u>	<u>\$ 295,244</u>

Note 19 - Risk Management

The Housing Authority carries commercial insurance coverage to cover exposure and the risk of losses related to torts, thefts, damages, destruction of assets, errors and omissions, injuries, natural disasters and defalcation.

For insured programs there has been no significant reduction in insurance coverage. Settled claims have not exceeded insurance coverage in the current or past three years.

Note 20 - Economic Dependency

The Housing Authority received most of its revenue (89%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

SUPPLEMENTAL DATA

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2011**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Grant Period</u>	<u>Program Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of HUD</u>						
Direct Programs:						
Public and Indian Housing*	14.850a	C-894	FYE 09/30/11	\$ 1,172,283	\$ 1,172,283	\$ 1,172,283
Lower Income Housing Assistance Program - Single Room Occupancy	14.249	C-2013	FYE 09/30/11	\$ 21,198	\$ 21,198	\$ 21,198
Housing Choice Voucher Program*	14.871	C-2013	FYE 09/30/11	\$ 8,181,397	\$ 8,181,397	\$ 8,181,397
Public Housing - Capital Fund*	14.872	C-894	FYE 09/30/11	\$ 1,106,217	\$ 681,980	\$ 681,980
HUD - Veterans Affairs Supportive Housing	14.VSH	C-2013	FYE 09/30/11	\$ 126,538	\$ 126,538	\$ 126,538
Total Federal Assistance				<u>\$ 10,607,633</u>	<u>\$ 10,183,396</u>	<u>\$ 10,183,396</u>
<u>Flow Through from Local Sources</u>						
Community Development Block/Entitlement Grants	14.218	----	FYE 09/30/11	\$ 100,000	\$ 100,000	\$ 100,000
HOME Investments Partnership Program	14.239	----	FYE 09/30/11	\$ 38,940	\$ 38,940	\$ 38,940
Total Assistance				<u>\$ 10,746,573</u>	<u>\$ 10,322,336</u>	<u>\$ 10,322,336</u>

*Denotes major program.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P022501-09**

1. The Actual Modernization Costs of Phase IN36P022501-09 are as follows:

Funds approved	\$ 555,301
Funds expended	<u>555,301</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Project notes, non-HUD	\$ 555,301
Funds expended	<u>555,301</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated September 26, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36S022501-09**

1. The Actual Modernization Costs of Phase IN36S022501-09 are as follows:

Funds approved	\$ 709,887
Funds expended	<u>709,887</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Project notes, non-HUD	\$ 709,887
Funds expended	<u>709,887</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated March 31, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.



**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

I have audited the financial statements of Housing Authority of the City of Bloomington as of and for the year ended September 30, 2010, and have issued my report thereon dated March 23, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. (2011-1)

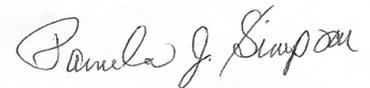
Compliance and Other Matters

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

I noted certain matters that I reported to management of Housing Authority of the City of Bloomington in a separate letter dated March 23, 2012.

Housing Authority of the City of Bloomington's response to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Housing Authority of the City of Bloomington's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, and Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

Decatur, Illinois
March 23, 2012



**Independent Auditor's Report on Compliance With Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Board of Commissioners
Housing Authority of the City of Bloomington
Fort Wayne, Indiana

Compliance

I have audited Housing Authority of the City of Bloomington's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Bloomington's major federal programs for the year ended September 30, 2011. Housing Authority of the City of Bloomington'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 each of its major federal programs is the responsibility of Housing Authority of the City of Bloomington's management. My responsibility is to express an opinion on Housing Authority of the City of Bloomington's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Housing Authority of the City of Bloomington's compliance with those requirement and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Housing Authority of the City of Bloomington's compliance with those requirements.

In my opinion, the Housing Authority of the City of Bloomington complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

Management of Housing Authority of the City of Bloomington 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 my audit, I considered Housing Authority of the City of Bloomington's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Housing Authority of the City of Bloomington's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be material weaknesses and other deficiencies that I consider to be significant deficiencies.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items (2011-1) to be a significant deficiency.

Housing Authority of the City of Bloomington's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Housing Authority of the City of Bloomington's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, Housing and Urban Development, 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.

Decatur, Illinois
March 23, 2012


Certified Public Accountant

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended September 30, 2010 contained no findings.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report: Unqualified

* Material weakness(es) identified? X yes no

* Significant deficiency (ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified? X yes no

* Significant deficiency (ies) identified? X yes none reported

Type of auditor's 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? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.850a	Public and Indian Housing
14.871	Housing Choice Voucher Program
14.872	Public Housing - Capital Funds

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

Auditee qualified as low-risk auditee? yes X no

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
CURRENT FINDINGS AND RECOMMENDATIONS**

Section II - Financial Statement Findings

There were no financial statement audit findings discussed with Jennifer J. Osterholt, Executive Director and other members of management, during the audit or at an exit conference held March 23, 2012.

Section III - Federal Award Findings

There was one federal award audit findings discussed with Jennifer J. Osterholt, Executive Director and other members of management, during the audit or at an exit conference held March 23, 2012.

Criteria: Sound, adequate internal controls as well as HUD rules and regulations require adequate accounting and record keeping for all receipts. While testing the internal controls over receipts and the recording of receipts, it was determined that the internal control system in place was not adequate.

Condition: There was not an adequate segregation of duties over miscellaneous cash receipts. Miscellaneous payments received at the administrative offices and miscellaneous funds received via the mail were not adequately controlled. One individual had virtually the entire responsibility of receiving the funds, filling out the deposit slip, physically depositing the funds and recording the deposits. Some of the miscellaneous receipts were recorded by a second person in a set of subsidiary ledgers, but those records were never properly reconciled to any other records. As a result, miscellaneous receipts were not properly deposited in the Housing Authority's bank account or properly recorded in the general ledger.

Effect: Housing Authority revenues were not properly deposited or recorded as revenues.

Cause: The Housing Authority's internal control system over miscellaneous receipts was not adequate.

Recommendation: All receipts taken by assigned personnel should be simultaneously logged into the accounting system as a receipt. At the end of the day the miscellaneous receipts should then be reconciled by another individual and deposited intact accordingly.

Corrective Actions: All receipts will be taken in at the front desk and will be entered into the accounting system by assigned personnel. A different employee is designated to collect all receipts entered the next morning and then reconcile the amounts collected to the amount shown in the accounting software. A deposit is made assuming the records match. If there are any discrepancies those are addressed at the time they are found and will not be deposited until a solution has been made. All mail is now only sorted by the employees at the front desk and disbursed accordingly. The Executive Management of the Bloomington Housing Authority will be responsible for implementing these changes. All changes have been in effect since the beginning of April 2012.

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
SEPTEMBER 30, 2011**

<u>Amp 1</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(R)				
Accounts receivable - interfund	----	\$ 17,895.32		n/a
Accounts payable - vendor	2111	5,507.79		n/a
Accounts receivable - city	1124		\$ 23,403.11	n/a
NIP grant revenue	3692	23,403.11		n/a
NVP grant expenses	4197		23,403.11	n/a
(To move grant transactions out of Amp I to report stand alone)				

(1)				
Vendor payable	2111	\$ 5,750.33	\$ 1,855.73	2111
Accrued liabilities - other	2139		7,194.88	2139
Gas	4330	1,444.55		2810.512
Sundry	4190	140.01		2810.512
Materials	4420	1,693.43		2810.512
Office expenses	4190.006	22.29		2810.512
(To set up extra vendor payable per search and reclassify accrued utilities per cross walk guide)				

(2)				
Building improvements	1400.071	\$ 11,188.18		1400.071
Misc grant expenditures	4194		\$ 11,188.18	2810.512
(To reclassify payment to Strauss Construction for Community Building improvements)				

(3)				
Due from state and local	----	\$ 1,942.78		----
Miscellaneous grant expenses	4194		\$ 1,781.11	2810.512
Maintenance materials	4420		161.67	2810.512
(To reclassify small and simple grant expenditures to state and local programs)				

(4)				
Collections losses	4570	\$ 1,510.71		2810.512
Allowance for doubtful accts.	1122.01	4,532.15		1122.01
Accounts receivable - tenants	1122		\$ 6,042.86	1122
(To write off tenants accounts receivable approved in October 2011 board minutes)				

(5)				
A/R - FHLB grant	----	\$ 52,665.29		----
FHLB CWIP account	1400.16	52,665.29		1400.16
FHLB grant income	3691.006		\$ 52,665.29	2810.512
Other accounts payable	2119		52,665.29	2119

(To record Draw #6 made 09/19/11 that was not received at year end and reclassify the expenses that apply to the draw)

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
SEPTEMBER 30, 2011**

<u>Amp 2</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Vendor payable	2111	\$ 7,669.13	\$ 77.39	2111
Accrued liabilities - other	2139		8,979.08	2139
Sundry	4190	73.57		2810.512
Materials	4420	3.82		2810.512
Gas	4330	1,309.95		2810.512
(To set up extra vendor payable per search and reclassify accrued utilities per cross walk guide)				
(2)				
Collections losses	4570	\$ 260.42		2810.512
Allowance for doubtful accts.	1122.01	781.25		1122.01
Accounts receivable - tenants	1122		\$ 1,041.67	1122
(To write off tenants accounts receivable approved in October 2011 board minutes)				
(3)				
Extraordinary maintenance	4610	\$ 52,812.33		2810.512
Leasehold improvements	1400.10	3,242.08		1400.10
A/P - vendors/contractors	2111		\$ 13,566.98	2111
Due to COCC	1295.90		42,487.43	1295.90
(To reclassify expenses from COCC to Amp 2 [Butler])				
<u>Voucher</u>				
(1)				
Accounts receivable - HOME	1295.08	\$ 3,848.00		1295.08
HAP	4715		\$ 3,848.00	2810.001
(To record HAP for HOME participants coded to Section 8 for April 2011)				
(2)				
Vendor payable	2111		\$ 3,145.90	2111
Sundry	4190	\$ 1,028.15		2810.002
Travel	4150	557.75		2810.002
Employee benefits	4182	1,560.00		2810.002
(To set up extra vendor payable per search)				
(3)				
Collection losses	4570	\$ 2,923.26		2810.002
Accounts receivable - fraud	1121		\$ 2,923.26	1121
(To write off fraud recovery receivables approved in October 2011 board minutes)				

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
SEPTEMBER 30, 2011**

<u>SRO</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
A/P - HUD	2118	\$ 1,394.08		2118
Unrestricted net assets	2810.512		\$ 1,394.08	2810.512
(To record HUD adjustment to 09/30/12 year end settlement)				
<u>HOME</u>				
(1)				
Accounts receivable - City	1129	\$ 3,848.00		1129
Accounts payable - Voucher	1295		\$ 3,848.00	1295.02
Grants	3413		10,887.00	2810.512
HAP expense	4715	\$ 10,887.00		2810.512
(To correct general ledger - April HAP not coded to general ledger and accounts receivable for September claim not posted)				
<u>State and Local</u>				
(R)				
A/R - City NIP grant	1124	\$ 23,403.11		n/a
Grant expenses	4197	23,403.11		n/a
Vendor payable	2111		\$ 5,507.79	n/a
Grant revenue	----		23,403.11	n/a
Due to Amp 1	2145.001		17,895.32	n/a
(To move NIP grant to State and Local program)				
(1)				
Resident - contract services	4220	\$ 14,000.00		2810.512
Tenant services supplies	----	164.08		2810.512
Deferred revenue	2289		\$ 585.92	2289
Grant revenue	----		14,164.08	2810.512
Due from COCC	1295.90	585.92		1295.90
(To move literacy grants to State and Local program)				
(2)				
Due from COCC	1295.90		\$ 57.22	1295.90
A/R - City Small & Simple	----	\$ 2,000.00		----
Small & Simple grant revenue	----		2,000.00	2810.512
Due to Amp 1	2145.001		1,942.78	2145.001
Surplus - PPA for py expense	2810.512	1,000.00		2810.512
Tenant services	4220	1,000.00		2810.512
(To move two city Small and Simple grants to State and Local program)				

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
SEPTEMBER 30, 2011**

<u>COCC</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Vendor payable	2111		\$ 1,475.37	2111
Training	4140	\$ 600.00		2810.512
Travel	4150	761.68		2810.512
Sundry	4190	14.35		2810.512
Office expenses	4190.006	99.34		2810.512
(To post extra vendor payable per search)				
(2)				
Other income	3690	\$ 14,750.00		2810.512
Resident services	4220		\$ 14,164.08	2810.512
Due to State and Local - literacy	----		585.92	----
(To reclass Dollar General literacy grant revenues and expenditures)				
(3)				
Building improvements	1400.071	\$ 3,242.08		1400.071
Board approved renovations	4220.002		\$ 3,242.08	2810.512
(To reclassify payments to Strauss Construction for Community Building patio roof)				
(4)				
Accrued compensated absences	2134.01	\$ 8,656.36		2134.01
Accrued comp abs - noncurrent	2134.02	442.16		2134.02
Compensated absences - admin	4110.01		\$ 9,098.52	2810.512
(To reverse employee's liability who was terminated through misconduct by reviewing subsequent events)				
(5)				
Accounts payable - vendors	2111	\$ 13,566.98		2111
Due from Amp 2	1295.002	42,487.43		1295.002
Board approved renovations	4220.002		\$ 52,812.33	2810.512
Building improvements	1400.071		3,242.08	1400.071
(To reclassify expenses from COCC to Amp 2 [Butler])				
(6)				
Due from State & Local - Small & Simple	----	\$ 57.22		----
Board approved renovations	4220		\$ 57.22	2810.512
(To move Small & Simple grant expenses to State and Local program)				

Housing Authority of the City of Bloomington (IN022)
BLOOMINGTON, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.V5SH HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING HUD-	14.218 Community Development Block Grants/Entitlement Grants	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	2 State/Local	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$391,321					\$57,942		\$697,016	\$1,136,279		\$1,136,279
112 Cash - Restricted - Modernization and Development	\$286,575								\$266,575		\$266,575
113 Cash - Other Restricted									\$1,354,005		\$1,354,005
114 Cash - Tenant Security Deposits	\$53,997								\$53,997		\$53,997
115 Cash - Restricted for Payment of Current Liabilities	\$16,603								\$16,603		\$16,603
100 Total Cash	\$718,496	\$0	\$0	\$0	\$0	\$1,411,947	\$0	\$697,016	\$2,827,459	\$0	\$2,827,459
121 Accounts Receivable - FHA Projects						\$2,262			\$2,262		\$2,262
122 Accounts Receivable - HUD Other Projects											
124 Accounts Receivable - Other Government	\$2,665			\$10,887			\$23,403		\$66,955		\$66,955
125 Accounts Receivable - Miscellaneous	\$0						\$2,000		\$2,000		\$2,000
126 Accounts Receivable - Tenants	\$8,204								\$8,204		\$8,204
126.1 Allowance for Doubtful Accounts - Tenants	-\$3,665								-\$3,665		-\$3,665
126.2 Allowance for Doubtful Accounts - Other	\$0								\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current											
128 Fraud Recovery	\$30,172					\$49,174			\$79,346		\$79,346
128.1 Allowance for Doubtful Accounts - Fraud	-\$22,795					-\$8,180			-\$30,975		-\$30,975
129 Accrued Interest Receivable											
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$64,581	\$0	\$0	\$10,887	\$43,256	\$40,994	\$25,403	\$0	\$144,127	\$0	\$144,127
131 Investments - Unrestricted	\$363,493					\$462,489			\$825,982		\$825,982
132 Investments - Restricted											
135 Investments - Restituted for Payment of Current Liability											
142 Prepaid Expenses and Other Assets	\$28,934					\$4,059		\$2,244	\$35,237		\$35,237
143 Inventories	\$42,273								\$42,273		\$42,273
143.1 Allowance for Obsolete Inventories	\$0								\$0		\$0
144 Inter Program Due From	\$19,838	\$4,796	\$80,152			\$10,867	\$529	\$82,549	\$198,751	-\$198,751	\$0
145 Assets Held for Sale											
150 Total Current Assets	\$1,237,615	\$4,796	\$80,152	\$0	\$10,867	\$1,932,638	\$25,932	\$781,809	\$4,073,829	-\$198,751	\$3,875,078
161 Land	\$699,869							\$35,060	\$934,929		\$934,929
162 Buildings	\$11,877,037							\$128,035	\$12,005,072		\$12,005,072
163 Furniture, Equipment & Machinery - Dwellings	\$4,1625							\$951	\$42,576		\$42,576
164 Furniture, Equipment & Machinery - Administration	\$203,851					\$43,149		\$105,236	\$352,236		\$352,236
165 Leasehold Improvements	\$3,377,122						\$23,403		\$3,400,525		\$3,400,525
166 Accumulated Depreciation	-\$7,701,431					-\$18,566		-\$202,043	-\$7,920,040		-\$7,920,040
167 Construction in Progress	\$456,483								\$456,483		\$456,483
168 Infrastructure											
160 Total Capital Assets, Net of Accumulated Depreciation	\$9,154,556	\$0	\$0	\$0	\$0	\$26,583	\$23,403	\$67,239	\$9,271,761	\$0	\$9,271,761
171 Notes, Loans and Mortgages Receivable - Non-Current											
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due											
173 Grants Receivable - Non Current											
174 Other Assets	\$34,550								\$34,550		\$34,550
176 Investments in Joint Ventures											
180 Total Non-Current Assets	\$9,189,106	\$0	\$0	\$0	\$0	\$26,583	\$23,403	\$67,239	\$9,306,331	\$0	\$9,306,331
190 Total Assets	\$10,426,721	\$4,796	\$80,152	\$0	\$10,867	\$1,959,221	\$49,335	\$849,048	\$13,580,160	-\$198,751	\$13,381,409

Housing Authority of the City of Bloomington (IN022)
 BLOOMINGTON, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.VSH HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING (HUD)	14.218 Community Development Block Grants/Entitlement Grants	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	2 State/Local	COCC	Subtotal	ELIM	Total
311 Bank Overdraft											
312 Accounts Payable <= 90 Days	\$53,354					\$3,654	\$5,508	\$2,573	\$65,089		\$65,089
313 Accounts Payable >90 Days Past Due											
321 Accrued Wage/Payroll Taxes Payable											
322 Accrued Compensated Absences - Current Portion	\$23,714					\$12,633		\$21,501	\$57,848		\$57,848
324 Accrued Contingency Liability											
325 Accrued Interest Payable											
331 Accounts Payable - HUD PHA Programs		\$3,207	\$80,152						\$83,359		\$83,359
332 Account Payable - PHA Projects											
333 Accounts Payable - Other Government											
341 Tenant Security Deposits	\$33,997								\$53,997		\$53,997
342 Deferred Revenues	\$16,603						\$586		\$17,189		\$17,189
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$156,310								\$156,310		\$156,310
344 Current Portion of Long-term Debt - Operating Borrowings											
345 Other Current Liabilities	\$52,665								\$52,665		\$52,665
346 Accrued Liabilities - Other	\$16,174								\$16,174		\$16,174
347 Inter Program - Due To	\$92,549					\$84,948	\$19,838	\$529	\$198,751	-\$198,751	\$0
348 Loan Liability - Current											
310 Total Current Liabilities	\$455,366	\$3,207	\$80,152	\$0	\$10,887	\$101,235	\$25,932	\$24,603	\$701,382	-\$198,751	\$502,631
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$2,447,670								\$2,447,670		\$2,447,670
352 Long-term Debt, Net of Current - Operating Borrowings											
353 Non-current Liabilities - Other											
354 Accrued Compensated Absences - Non Current	\$2,150					\$189		\$4,014	\$131,605		\$131,605
355 Loan Liability - Non Current											
356 FASB 5 Liabilities											
357 Accrued Pension and OPEB Liabilities											
350 Total Non-Current Liabilities	\$2,449,820	\$0	\$0	\$0	\$0	\$131,774	\$0	\$4,014	\$2,585,608	\$0	\$2,585,608
300 Total Liabilities	\$2,905,186	\$3,207	\$80,152	\$0	\$10,887	\$233,009	\$25,932	\$28,617	\$3,286,950	-\$198,751	\$3,088,239
508.1 Invested In Capital Assets, Net of Related Debt											
509.2 Fund Balance Reserved	\$6,550,576					\$26,563	\$23,403	\$67,239	\$6,667,801		\$6,667,801
511.2 Unreserved, Designated Fund Balance											
511.1 Restricted Net Assets	\$266,575					\$1,222,400		\$0	\$1,488,975		\$1,488,975
512.1 Unrestricted Net Assets	\$704,384	\$1,589	\$0	\$0	\$0	\$477,229	\$0	\$753,192	\$1,936,394		\$1,936,394
512.2 Unreserved, Undesignated Fund Balance											
513 Total Equity/Net Assets	\$7,521,535	\$1,589	\$0	\$0	\$0	\$1,726,212	\$23,403	\$820,431	\$10,093,170	\$0	\$10,093,170
600 Total Liabilities and Equity/Net Assets	\$10,426,721	\$4,796	\$80,152	\$0	\$10,887	\$1,959,221	\$49,335	\$849,048	\$13,380,160	-\$198,751	\$13,181,409

Housing Authority of the City of Bloomington (IN022)
BLOOMINGTON, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	14,VSH HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING HUD-	14,216 Community Development Block Grants/Entitlement Grants	14,239 HOME Investment Partnerships Program	14,871 Housing Choice Vouchers	2 State/Local	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$542,045								\$542,045		\$542,045
70400 Tenant Revenue - Other	\$103,397								\$103,397		\$103,397
70500 Total Tenant Revenue	\$645,442	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$645,442	\$0	\$645,442
70600 HUD PHA Operating Grants	\$1,466,745	\$21,198	\$126,538			\$8,181,397			\$9,795,878		\$9,795,878
70610 Capital Grants	\$387,518							\$424,613	\$387,518	-\$424,613	\$387,518
70710 Management Fee								\$37,200	\$37,200	-\$37,200	\$0
70720 Asset Management Fee								\$143,062	\$143,062	-\$143,062	\$0
70730 Book Keeping Fee											
70740 Front Line Service Fee											
70750 Other Fees											
70700 Total Fee Revenue	\$37,208							\$804,875	\$604,875	-\$604,875	\$0
70800 Other Government Grants	\$343,677			\$100,000	\$36,940				\$522,184		\$522,184
71100 Investment Income - Unrestricted	\$4,367					\$2,367		\$1,773	\$6,727		\$6,727
71200 Mortgage Interest Income											
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery						\$54,152			\$54,152		\$54,152
71500 Other Revenue	\$37,208					\$6,587		\$11,172	\$56,977		\$56,977
71600 Gain or Loss on Sale of Capital Assets											
72000 Investment Income - Restricted	\$1,533					\$5,049			\$6,582		\$6,582
70000 Total Revenue	\$2,896,690	\$21,198	\$126,538	\$100,000	\$36,940	\$9,261,682	\$39,567	\$617,820	\$12,082,335	-\$604,875	\$11,477,460
91100 Administrative Salaries	\$170,353	\$6,393	\$20,474			\$175,021		\$286,627	\$938,668		\$938,668
91200 Auditing Fees	\$2,999					\$2,450		\$1,886	\$7,335		\$7,335
91300 Management Fee	\$258,197					\$166,416		\$424,613	\$424,613	-\$424,613	\$0
91310 Book-keeping Fee	\$27,727					\$115,335		\$143,062	\$143,062	-\$143,062	\$0
91400 Advertising and Marketing	\$442							\$442	\$442		\$442
91500 Employee Benefit Contributions - Administrative	\$77,178	\$74	\$238			\$93,680		\$116,319	\$287,689		\$287,689
91600 Office Expenses	\$5,499					\$12,174		\$4,273	\$21,946		\$21,946
91700 Legal Expense	\$4,029					\$405		\$2,280	\$6,714		\$6,714
91800 Travel	\$7,912					\$2,704		\$9,233	\$19,849		\$19,849
91810 Allocated Overhead	\$0							\$0	\$0		\$0
91900 Other	\$28,384	\$45	\$238			\$35,505		\$44,209	\$106,153		\$106,153
91000 Total Operating - Administrative	\$582,730	\$6,512	\$20,712	\$0	\$0	\$601,890	\$0	\$444,827	\$1,656,671	-\$567,675	\$1,088,996
92000 Asset Management Fee	\$37,200								\$37,200		\$37,200
92100 Tenant Services - Salaries						\$91,597		\$91,597	\$91,597		\$91,597
92200 Relocation Costs	\$3,633							\$3,633	\$3,633		\$3,633
92300 Employee Benefit Contributions - Tenant Services											
92400 Tenant Services - Other	\$7,679					\$337	\$15,164	\$11,281	\$34,461		\$34,461
92500 Total Tenant Services	\$11,312	\$0	\$0	\$0	\$0	\$91,934	\$15,164	\$11,281	\$129,691	\$0	\$129,691

Housing Authority of the City of Bloomington (IN022)
BLOOMINGTON, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.VSH HUD- VETERANS AFFAIRS SUPPORTIVE HOUSING (HUD)	14.218 Community Development Block Grants/Entitlement Grants	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	2 State/Local	COCC	Subtotal	ELIM	Total
93100 Water	\$40,053								\$40,053		\$40,053
93200 Electricity	\$189,716								\$189,716		\$189,716
93300 Gas	\$103,478								\$103,478		\$103,478
93400 Fuel	\$4,764								\$4,764		\$4,764
93500 Labor	\$0								\$0		\$0
93600 Sewer	\$52,528								\$52,528		\$52,528
93700 Employee Benefit Contributions - Utilities											
93800 Other Utilities Expense											
93900 Total Utilities	\$390,539	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$390,539	\$0	\$390,539
94100 Ordinary Maintenance and Operations - Labor	\$174,549								\$174,549		\$174,549
94200 Ordinary Maintenance and Operations - Materials and Other	\$125,871					\$1,448			\$127,319		\$127,319
94300 Ordinary Maintenance and Operations Contracts	\$208,903								\$208,903		\$208,903
94500 Employee Benefit Contributions - Ordinary Maintenance	\$90,594								\$90,594		\$90,594
94000 Total Maintenance	\$599,917	\$0	\$0	\$0	\$0	\$1,448	\$0	\$0	\$601,365	\$0	\$601,365
95100 Protective Services - Labor											
95200 Protective Services - Other Contract Costs	\$17,976								\$17,976		\$17,976
95300 Protective Services - Other											
95500 Employee Benefit Contributions - Protective Services											
95000 Total Protective Services	\$17,976	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,976	\$0	\$17,976
96110 Property Insurance	\$55,956								\$55,956		\$55,956
96120 Liability Insurance	\$11,926					\$515			\$12,439		\$12,439
96130 Workmen's Compensation	\$6,754					\$5,372		\$3,407	\$15,533		\$15,533
96140 All Other Insurance	\$3,405					\$1,347		\$1,087	\$5,849		\$5,849
96100 Total Insurance Premiums	\$78,041	\$0	\$0	\$0	\$0	\$7,232	\$0	\$4,504	\$89,777	\$0	\$89,777
96200 Other General Expenses											
96210 Compensated Absences	\$35,724					\$9,571			\$45,295		\$45,295
96300 Payments in Lieu of Taxes						\$26,966		\$38,894	\$101,604		\$101,604
96400 Bad debt - Tenant Rents	\$28,834								\$28,834		\$28,834
96500 Bad debt - Mortgages											
96600 Bad debt - Other											
96800 Severance Expense											
96000 Total Other General Expenses	\$64,558	\$0	\$0	\$0	\$0	\$33,668	\$0	\$38,894	\$142,120	\$0	\$142,120
96710 Interest of Mortgage (or Bonds) Payable	\$125,598								\$125,598		\$125,598
96720 Interest on Notes Payable (Short and Long Term)											
96730 Amortization of Bond Issue Costs	\$2,342								\$2,342		\$2,342
96700 Total Interest Expense and Amortization Cost	\$127,940	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,940	\$0	\$127,940
96900 Total Operating Expenses	\$1,910,213	\$6,512	\$20,712	\$0	\$0	\$741,172	\$15,164	\$499,506	\$3,193,279	-\$604,875	\$2,588,404
97000 Excess of Operating Revenue over Operating Expenses	\$976,477	\$14,686	\$105,926	\$100,000	\$38,940	\$7,510,410	\$24,403	\$118,314	\$8,985,056	\$0	\$8,985,056

Housing Authority of the City of Bloomington (IN022)
BLOOMINGTON, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.VSH HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING (HUD)	14.218 Community Development Block Grants/Entitlement Grants	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	2 State/Local	COCC	Subtotal	ELIM	Total
97100 Extraordinary Maintenance		\$171,257						\$171,257		\$171,257
97200 Casualty Losses - Non-capitalized		\$24,149						\$24,149		\$24,149
97300 Housing Assistance Payments	\$14,666	\$114,360		\$38,940	\$7,252,846			\$7,430,652		\$7,430,652
97350 HAP Portability-In					\$5,917			\$5,917		\$5,917
97400 Depreciation Expense		\$722,452			\$5,211		\$8,476	\$736,139		\$736,139
97500 Fraud Losses					\$14,498			\$14,498		\$14,498
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
90000 Total Expenses	\$21,198	\$135,082	\$0	\$38,940	\$9,019,444	\$15,164	\$507,982	\$11,585,861	-\$604,875	\$10,981,016
10010 Operating Transfer In										
10020 Operating transfer Out										
10030 Operating Transfers from/to Primary Government										
10040 Operating Transfers from/to Component Unit										
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss										
10080 Special Items (Net Gain/Loss)										
10091 Inter Project Excess Cash Transfer In										
10092 Inter Project Excess Cash Transfer Out										
10093 Transfers between Program and Project - In										
10094 Transfers between Project and Program - Out										
10100 Total Other financing Sources (Uses)	\$0	\$0	-\$100,000	\$0	\$0	\$0	-\$22,453	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	-\$8,554	\$0	\$0	\$232,138	\$24,403	\$87,385	\$516,444	\$0	\$516,444
11020 Required Annual Debt Principal Payments										
11030 Beginning Equity										
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors										
11050 Changes in Compensated Absence Balance										
11060 Changes in Contingent Liability Balance										
11070 Changes in Unrecognized Pension Transition Liability										
11080 Changes in Special Term/Severance Benefits Liability										
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										
11100 Changes in Allowance for Doubtful Accounts - Other										
11170 Administrative Fee Equity										
11180 Housing Assistance Payments Equity										
11190 Unit Months Available	3720	315			\$1,222,400			\$1,222,400		\$1,222,400
11210 Number of Unit Months Leased	3697	258			15513			19692		19692
11270 Excess Cash	\$290,253				15480			19564		19564
11610 Land Purchases	\$0							\$290,253		\$290,253
11620 Building Purchases	\$323,503							\$323,503		\$323,503
11650 Furniture & Equipment - Dwelling Purchases	\$18,936							\$18,936		\$18,936
11660 Furniture & Equipment - Administrative Purchases	\$43,197							\$43,197		\$43,197
11660 Leasehold Improvements Purchases	\$0							\$0		\$0
11660 Infrastructure Purchases	\$0							\$0		\$0
13510 CFFP Debt Service Payments	\$0							\$0		\$0
13901 Replacement Housing Factor Funds	\$0							\$0		\$0