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October 1, 2013

Board of Directors
Housing Authority of the City of Evansville
500 Court Street
Evansville, IN 47708

We have reviewed the audit report prepared by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period January 1, 2010 to December 31, 2010. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Evansville, as of December 31, 2010 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS



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

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

December 31, 2010

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

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Independent Auditors' Report

Board of Commissioners
The Housing Authority of the City of
Evansville, Indiana

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component unit of The Housing Authority of the City of Evansville, Indiana (the Authority) as of and for the year ended December 31, 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit of the Authority, which represent 100% of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Authority as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 26, 2011 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 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 on pages 3-8, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental 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 taken as a whole. The accompanying schedule of expenditures of federal awards on pages 27-28 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying financial data schedule on pages 39-69 are presented for purpose of additional analysis required by the Department of Housing and Urban Development's Real Estate Assessment Center and is 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.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
September 26, 2011

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The Housing Authority of the City of Evansville, Indiana's ("the Authority") annual financial report presents management's discussion and analysis of the Authority's financial position, results of operations and cash flows during the fiscal year ended December 31, 2010. This information is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This analysis should be read in conjunction with the Independent Auditors' Report, financial statements and accompanying notes.

Introduction - The Housing Authority of the City of Evansville, Indiana

The Authority is a Public Housing Authority with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal Authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has a discretely presented component unit that prepares separately issued financial statements. The Authority is responsible for its debts and is entitled to surpluses.

The Authority's financial statements include the operations of funds that the Authority has established to achieve its purposes. The financial transactions of the Authority are recorded in the funds that consist of a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenses, as appropriate. The Authority is a self-supporting entity and follows enterprise fund reporting.

This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in net assets of the Authority. Readers are encouraged to consider the information presented in conjunction with the financial statements as a whole, which follow this section.

Financial Statements

The basic financial statements include three required statements, which provide different views of the Authority. They are the *Statement of Net Assets*, the *Statement of Revenues, Expenses and Changes in Net Assets* and the *Statement of Cash Flows*. These statements provide current and long-term information about the Authority and its activities.

The *Statement of Net Assets* includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Assets*. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through externally funded programs, tenant rents and other revenue sources.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The primary purpose of the *Statement of Cash Flows* is to provide information about the Authority's cash receipts and cash payments during the accounting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing, and investing activities.

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Highlights

- The Authority's net assets increased by approximately \$3.1 million during 2010 and \$217 thousand during 2009. This increase is primarily attributed to increased capital contributions under the capital program which includes funds received from the American Recovery and Reinvestment Act (ARRA).
- Operating revenues decreased by \$237 thousand during 2010 and were approximately \$15.0 million for 2010 and \$15.3 million for 2009.
- The total operating expenses for Authority programs increased by \$707 thousand during 2010. Total expenses were approximately \$16.9 million for 2010 and \$16.2 million for 2009.

The Authority has many programs that are consolidated into a single enterprise fund. The programs consist of the following:

Low Rent Public Housing Program

This program is operated under HUD's Annual Contribution Contract (ACC) and consists of the operations of the low-rent public housing properties totaling approximately 962 units. The purpose of this program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. Funding for the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition). The Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 1,906 housing units. The purpose of the program is to provide decent affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

Other Programs

In addition to the significant programs noted above, the Authority also maintains other programs. Currently, the Authority administers the following smaller programs:

- Business Activities
- Capital Funds
- Youth Build Program
- Residential Vocational Training

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Net Assets

The following table is a condensed summary of net assets at December 31, 2010 and 2009:

	2010	2009
Assets		
Current assets	\$ 6,875,770	\$ 7,374,228
Noncurrent investments	1,966,410	1,089,247
Capital assets, net	18,106,949	15,634,601
Notes and mortgages receivable, long term, net	<u>13,114</u>	<u>14,605</u>
 Total assets	 <u>\$26,962,243</u>	 <u>\$24,112,681</u>
Liabilities		
Current liabilities	\$ 1,429,974	\$ 1,573,131
Noncurrent liabilities	<u>19,741</u>	<u>104,897</u>
 Total liabilities	 <u>\$ 1,449,715</u>	 <u>\$ 1,678,028</u>
Net assets - Restated		
Invested in capital assets	\$18,106,949	\$15,634,601
Restricted	3,629,285	3,652,161
Unrestricted	<u>3,776,294</u>	<u>3,147,891</u>
 Total net assets	 <u>\$25,512,528</u>	 <u>\$22,434,653</u>

Major Factors Affecting the Statement of Net Assets

Total assets of the Authority as of December 31, 2010 and December 31, 2009 amounted to \$26,962,243 and \$24,112,681, respectively. Current assets primarily consist of cash and equivalents, certificates of deposits and receivables from HUD. Non-current assets primarily consist of certificates of deposits and capital assets. Capital assets include land, land improvements, leasehold improvements, structures, construction in progress and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. The principal changes in assets from December 31, 2009 to December 31, 2010 were increases in capital assets.

Total liabilities of the Authority are \$1,449,715 and \$1,678,028 as of December 31, 2010 and 2009, respectively. Current liabilities include accounts payable, accrued liabilities, deferred revenue and accrued compensated absences. Current liabilities have decreased by \$143,157 due to the decrease in accounts payable – HUD.

Net assets represent the Authority's equity, a portion of which is restricted for certain use. Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt shows the Authority's equity in land, structures, construction in progress, and equipment, net of related capital debt outstanding. The next net asset category, restricted net assets, are reserved for the programs mandated by HUD. The last category, unrestricted net assets, are available to use for any lawful and prudent purpose of the Authority. Unrestricted net assets increased by 20% during the year from \$3,147,891 to \$3,776,294. This was primarily the result of increases in cash and equivalents.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Revenue, Expenses and Changes in Net Assets

The following table is a condensed summary of revenue, expenses and changes in net assets for the years ended December 31, 2010 and 2009.

	2010	2009
Operating Revenues		
Tenant revenue	\$ 2,320,114	\$ 2,190,930
HUD grants	11,836,557	12,244,317
Other governmental grants	534,144	263,246
Fraud recovery income	29,724	46,057
Other revenue	<u>317,573</u>	<u>530,412</u>
 Total operating revenues	 <u>15,038,112</u>	 <u>15,274,962</u>
Operating Expenses		
Administration	3,283,782	2,994,704
Tenant services	13,186	58,169
Utilities	989,769	940,856
Ordinary maintenance and operations	2,072,794	2,182,148
Insurance	192,938	192,176
Other general expenses	184,649	192,798
Housing assistance payments	8,759,684	8,390,719
Depreciation	<u>1,432,572</u>	<u>1,271,298</u>
 Total operating expenses	 <u>16,929,374</u>	 <u>16,222,868</u>
 Operating loss	 (1,891,262)	 (947,906)
 Nonoperating revenue	 <u>4,969,137</u>	 <u>1,164,818</u>
 Change in net assets	 <u>\$ 3,077,875</u>	 <u>\$ 216,912</u>

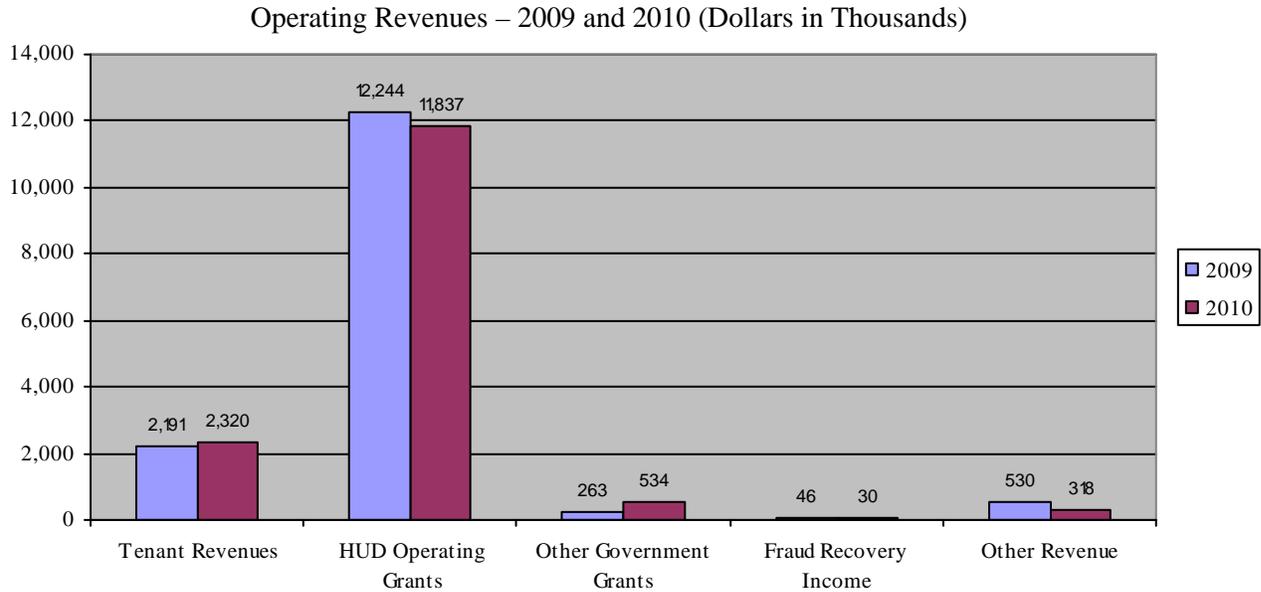
Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Assets

During 2010, the Authority's operating loss was \$1.9 million, which included \$1.4 million in non-cash depreciation expense. Nonoperating revenue, which increased by \$3.8 million consisted primarily of capital subsidies received from HUD which are used for construction of capital assets and operations. Capital contributions increased as a result of economic stimulus funding from HUD under the American Recovery and Reinvestment Act (ARRA).

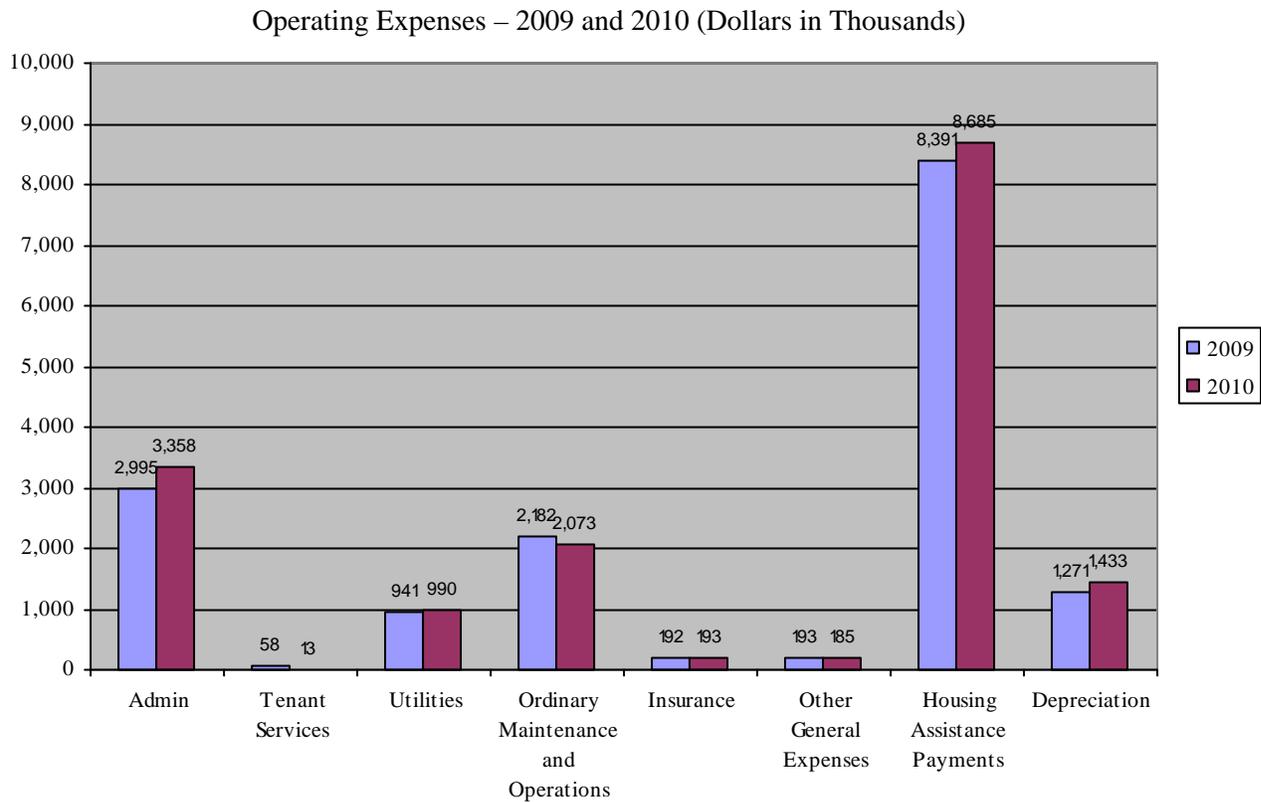
During 2009, the Authority's operating loss was \$948 thousand, which included \$1.3 million in non-cash depreciation expense. Nonoperating revenue, which increased by \$776 thousand consisted primarily of capital subsidies received from HUD which are used for construction of capital assets and operations.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Operating revenues are shown in detail in the chart below:



Operating Expenses are shown in detail in the chart below:



THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets

As of December 31, 2010 and 2009, the Authority had \$18.1 million and \$15.6 million, respectively, invested in a variety of capital assets as reflected in the following table:

	2010	2009
Land	\$ 1,372,716	\$ 1,372,716
Buildings and improvements	43,648,481	39,865,482
Furniture, equipment and machinery	2,306,772	2,067,440
Construction in progress	16,250	175,191
Accumulated depreciation	<u>(29,237,270)</u>	<u>(27,846,228)</u>
Net capital assets	<u>\$ 18,106,949</u>	<u>\$ 15,634,601</u>

In 2010, the Authority made capital expenditures of \$3.9 million while recognizing depreciation expense of \$1.4 million.

In 2009, the Authority made capital expenditures of \$1.6 million while recognizing depreciation expense of \$1.3 million.

Requests of Information

This financial report is designed to provide a general overview of the Authority's finances and resources. Questions concerning any of this information should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 Court Street, Evansville, Indiana, 47708.

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

BASIC FINANCIAL STATEMENTS

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

STATEMENT OF NET ASSETS

December 31, 2010

ASSETS

	<u>Primary Government</u>	<u>Component Unit</u>
CURRENT ASSETS		
Cash and equivalents	\$ 2,823,624	\$ 2,522
Restricted cash-tenant security deposits	130,490	27,537
Restricted cash-tenant escrow accounts	70,207	119,538
Certificates of deposit	2,482,750	
Accounts receivable-HUD	1,308,967	
Accounts receivable-other government	28,050	
Accounts receivable-tenants, net	15,217	1,665
Accrued interest receivable	5,308	
Prepaid expense and other current assets	10,107	
Notes and mortgages receivable-current portion	<u>1,050</u>	<u>535</u>
Total Current Assets	<u>6,875,770</u>	<u>151,797</u>
CAPITAL ASSETS		
Land	1,372,716	467,800
Buildings and improvements	43,648,481	6,716,057
Furniture, equipment and machinery-dwellings	926,342	691,164
Furniture, equipment and machinery-administrative	1,380,430	
Construction in progress	<u>16,250</u>	
	47,344,219	7,875,021
Less: Accumulated depreciation	<u>(29,237,270)</u>	<u>(2,470,267)</u>
Total Capital Assets	<u>18,106,949</u>	<u>5,404,754</u>
OTHER ASSETS		
Notes and mortgages receivable, net of current portion	13,114	
Certificates of deposit	1,966,410	
Deferred charges, net of accumulated amortization of \$45,303		56,310
Total Other Assets	<u>1,979,524</u>	<u>56,310</u>
TOTAL ASSETS	<u><u>\$26,962,243</u></u>	<u><u>\$5,612,861</u></u>

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

STATEMENT OF NET ASSETS (CONTINUED)

December 31, 2010

LIABILITIES AND NET ASSETS

	<u>Primary Government</u>	<u>Component Unit</u>
CURRENT LIABILITIES		
Accounts payable	\$ 713,331	\$ 28,597
Accounts payable-PILOT	120,050	91,312
Tenant security deposits	130,490	26,377
Deferred revenue	6,123	5,763
Accrued compensated absences	166,144	
Accrued wages and payroll taxes	73,164	
Accrued expenses	113,134	56,640
Other current liabilities	107,538	
Current portion of long-term debt		27,056
Total Current Liabilities	<u>1,429,974</u>	<u>235,745</u>
NONCURRENT LIABILITIES		
Other liabilities	19,741	
Mortgage payable, net of current portion		1,866,977
Notes payable and advances, due to primary government		1,149,507
Total Noncurrent Liabilities	<u>19,741</u>	<u>3,016,484</u>
Total Liabilities	<u>1,449,715</u>	<u>3,252,229</u>
NET ASSETS - Restated		
Invested in capital assets, net of related debt	18,106,949	2,361,214
Restricted net assets	3,629,285	
Unrestricted net assets	3,776,294	(582)
Total Net Assets	<u>25,512,528</u>	<u>2,360,632</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$26,962,243</u>	 <u>\$ 5,612,861</u>

See accompanying notes.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN
NET ASSETS**

Year Ended December 31, 2010

	<u>Primary Government</u>	<u>Component Unit</u>
OPERATING REVENUES		
Tenant revenue	\$ 2,320,114	\$ 645,508
HUD PHA operating grants	11,836,557	
Other government grants	534,144	
Fraud recovery income	29,724	
Other revenue	<u>317,573</u>	<u>10,322</u>
Total Operating Revenue	<u>15,038,112</u>	<u>655,830</u>
OPERATING EXPENSES		
Administration	3,283,782	126,627
Tenant services	13,186	
Utilities	989,769	65,166
Ordinary maintenance and operations	2,072,794	159,356
Insurance	192,938	28,068
Other general expenses	184,649	239,549
Housing assistance payments	8,759,684	
Depreciation and amortization	<u>1,432,572</u>	<u>233,408</u>
Total Operating Expenses	<u>16,929,374</u>	<u>852,174</u>
Operating Loss	<u>(1,891,262)</u>	<u>(196,344)</u>
NONOPERATING REVENUE		
Capital fund grant	4,876,078	
Interest revenue	<u>93,059</u>	<u>137</u>
Total Nonoperating Revenue	<u>4,969,137</u>	<u>137</u>
INCREASE (DECREASE) IN NET ASSETS	3,077,875	(196,207)
NET ASSETS		
Beginning of Year	<u>22,434,653</u>	<u>2,556,839</u>
End of Year	<u><u>\$25,512,528</u></u>	<u><u>\$ 2,360,632</u></u>

See accompanying notes.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**STATEMENT OF CASH FLOWS
Year Ended December 31, 2010**

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from dwelling rent	\$ 2,314,159
Cash received from HUD grants	11,747,138
Cash received from other governmental grants	578,364
Cash received from other sources	353,031
Cash payments to employees for services	(2,732,024)
Cash payments for employee benefits	(697,987)
Cash payments to other suppliers of goods and services	<u>(12,323,534)</u>
Net Cash Used by Operating Activities	<u>(760,853)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(3,910,654)
Capital grants received	<u>4,081,465</u>
Net Cash Provided by Capital and Related Financing Activities	<u>170,811</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Redemption of certificates of deposit	146,264
Interest received	99,631
Reduction of tenants' escrow accounts	8,430
Principal payments on mortgages receivable	<u>5,794</u>
Net Cash Provided by Investing Activities	<u>260,119</u>
DECREASE IN CASH AND EQUIVALENTS	(329,923)
CASH AND EQUIVALENTS	
Beginning of Year	<u>3,153,547</u>
End of Year	<u>\$ 2,823,624</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	\$(1,891,262)
Depreciation expense	1,432,572
Loss on disposition	5,734
(Increase) decrease in certain current assets:	
Accounts receivable-tenants	(5,326)
Accounts receivable-HUD	(89,419)
Accounts receivable-other government	44,220
Prepaid expenses and other current assets	(10,107)
Increase (decrease) in certain liabilities:	
Accounts payable	428,451
Accounts payable-HUD	(755,138)
Accounts payable-other government	20,353
Deferred revenue	(629)
Other liabilities	<u>59,698</u>
Net Cash Used by Operating Activities	<u>\$ (760,853)</u>

See accompanying notes.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Housing Authority of the City of Evansville, Indiana (the “Authority”) is presented to assist in understanding the Authority’s financial statements. The financial statements and notes are representations of the Authority’s management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States and have been consistently applied in the preparation of the financial statements.

Nature of Operations: The Authority, a governmental entity, is organized under the laws of the State of Indiana (“State”) for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owns and operates 962 public housing units and administers 1,906 Section 8 units under an Annual Contributions Contract (ACC) in Evansville, Indiana.

The Authority’s activities include the following programs:

Low Rent Public Housing Program – This program is operated under HUD’s ACC and consists of the operations of the low-rent public housing properties totaling approximately 962 units. The purpose of this program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. Funding for the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition). The Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority’s properties

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 1,906 housing units. The purpose of the program is to provide decent affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

Other Programs: In addition to the significant programs noted above, the Authority also maintains other programs. Currently, the Authority administers the following smaller programs:

- Business Activities
- Capital Funds
- Youth Build Program
- Residential Vocational Training

Reporting Entity: Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity, Omnibus*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of these statements, the Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The 7-member Board of Commissioners of the Authority is appointed to 3-8 year terms by the Mayor of the City of Evansville, but the Authority designates its own management. The City of Evansville is not financially accountable for the Authority as it cannot impose its will on the Authority, and there is no potential for the Authority to provide financial benefits to, or impose financial burdens on the City of Evansville. Accordingly, the Authority is not a component unit of the financial reporting entity of the City of Evansville.

The Authority has included as a blended component unit the activity for Advantix Development, Inc., a non-profit organization.

The Authority has included as a blended component unit the activity for Lincoln Estates Redevelopment, Inc., a non-profit organization.

Advantix Development, Inc. and Lincoln Estates Redevelopment, Inc. are shown as blended component units because the Authority has financial accountability and control over their boards of directors and management.

The Authority has included, as a discretely presented component unit, the activity for Lincoln Estates Redevelopment Partnership, L.P. (the "Project" or "Component Unit"). The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government. This entity is shown as a discretely presented component unit because the Authority is financially accountable for it; however, they do not have full ownership over the entity. Lincoln Estates Redevelopment, Inc. (which is included as a blended component of the Authority) has a .01% general partner interest in the Project. The Project is a 112 unit, residential apartment project known as Lincoln Estates Apartments in Evansville, Indiana. Requests for full financial statements of the Component Unit should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 Court Street, Evansville, Indiana, 47708.

On March 24, 2011, Vision 1505, L.P. (the "Partnership") was formed. The general partner of the Partnership is Advantix Development, Inc and the limited partner is ADC V1505, Inc. The Authority has financial accountability and control over the board of directors of ADC V1505, Inc.

Basis of Presentation: All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes. This financial statement presentation provides an indication of the financial performance of the Authority as a whole. Enterprise designations are used to account for activities (a) which are financed with debt that is solely secured by pledge of the net revenues from fees and charges of the activity; (b) which are governed by laws or regulations that require that the activity's costs of providing services be recovered with fees and charges, rather than taxes or similar revenues; or (c) that the pricing policies of the activity establish fees and charges designated to recover its costs.

In accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority's proprietary funds follow all GASB pronouncements and those pronouncements in the Financial Accounting Standards Board (FASB) that were issued on or before November 30, 1989, except those that conflict with or contradict a GASB pronouncement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation: The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

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. This includes capital subsidy for the capital fund program.

Revenue Recognition: Tenant rent revenue is recorded as rentals become due. Rental payments received in advance, if any, are deferred until earned.

The Authority has entered into ACCs with HUD to develop, manage and own public housing projects and to administer the federal Section 8 programs whereby the Authority pays the owner a portion of the rent, a housing assistance payment (HAP), on behalf of the family. Such contributions are reflected as HUD grants in the accompanying financial statements.

The Component Unit recognizes net rent revenue in the period in which the rent is earned. In accordance with HUD financial reporting requirements, gross potential rent revenue represents total possible rent revenue as if all units are 100% occupied during the year. Net rent revenue earned represents gross potential rent revenue less vacancies. Rents collected in advance are deferred until the rental income is earned.

Cash and Equivalents: For purposes of reporting cash flows, cash and equivalents include cash on hand and on deposit and investments with an original maturity of three months or less.

Accounts Receivable: Receivables consist of amounts invoiced to tenants for rents. The Authority provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and economic conditions. Delinquent accounts are written off based on management's review of the specific circumstances of each tenant. As of December 31, 2010, the allowance for doubtful accounts totaled \$36,485. In addition, other receivables consist of amounts due from HUD under reimbursements due under grants.

Investments: All investments are reflected at fair value. Investments are restricted by the provisions of the HUD regulations. Investments consist primarily of bank certificates of deposits with original maturities greater than three months.

Notes and Mortgages Receivable: Notes and mortgages receivable are carried at the principal amount outstanding net of an allowance for doubtful accounts. As of December 31, 2010, allowance for doubtful accounts totaled \$1,149,507.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets: Capital assets are recorded at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

Capital assets are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	10-39 years
Furniture, equipment and machinery	5-7 years

The Authority evaluates prominent events or changes in circumstances affecting capital assets to determine when impairment of a capital asset has occurred. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. No such impairment loss was incurred during 2010.

Deferred Charges: Certain loan costs are being amortized on the straight-line method over the life of the related loan, which approximate the effective interest method.

Compensated Absences: Compensated absences are those for which employees will be paid, such as vacation. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside of 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.

Net Assets: The Authority classifies net assets for accounting and financial reporting purposes in the following net asset categories:

- 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 the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets – 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”.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes: The component unit expenses real estate and personal property taxes in the year of lien on the property. The Authority is exempt from state and local property taxes.

Payments in Lieu of Taxes: Pursuant to an agreement with the County, the Authority may make payments in lieu of taxes (PILOT). During 2010, the Authority made \$140,155 of payments in lieu of taxes to the office of Vanderburgh County Treasurer.

Primary Government Income Taxes: Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code Section 115. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(1)(A)(v) and 170(c)(1) of the Internal Revenue Code of 1986, as amended.

Component Unit Income Taxes: No provision for federal or state income taxes has been made in the component unit's financial statements as the federal and state income tax effect on the component unit's activities accrues to its partners.

Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: The Authority has evaluated the financial statements for subsequent events occurring through September 26, 2011, the date the financial statements were available to be issued. See reporting entity in Note 1 above.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

It is the policy of the Authority to invest its funds in a manner, which will provide the highest investment return with maximum security while meeting the daily cash flow needs of the Authority, and comply with all federal, state and local statutes or ordinances governing the investment of public funds. The Authority's investment policy requires investment in instruments authorized by HUD Notice PIH 96-33.

During the year ended December 31, 2010, the Authority held cash deposits and investments with several financial institutions. Investments are primarily certificates of deposit.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk: Custodial credit risk for cash deposits and investments is the risk that, in the event of failure by a financial institution, the Authority may not be able to recover the value of its cash deposits and investments or collateral securities that are in the possession of the financial institution. Statutes authorize the 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 equivalents and certificates of deposit are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company or depository financial institutions. With respect to its cash operating and Housing Choice Voucher accounts, funds are collateralized with U.S. government securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

Investments are made based upon prevailing market conditions at the time of the transaction. The Authority reviews its cash and investments in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to certificates of deposit maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Authority.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk: The Authority's investment policy requires diversification of the overall portfolio to eliminate the risk of loss resulting from an over concentration of assets in a specific maturity, a specific issuer and/or a specific class of securities.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or a deposit. All of the Authority's cash deposits and investments are denominated in United States currency.

At December 31, 2010, the cash deposits and investments of the Authority with financial institutions were insured as follows:

	Balance per Statement of Net Assets	Bank Balance
Cash and equivalents insured by FDIC (up to \$250,000 per bank)	\$ 606,638	\$ 606,638
Certificates of deposit insured by FDIC (up to \$250,000 per bank)	<u>4,449,160</u>	<u>4,449,160</u>
Total Insured	5,055,798	5,055,798
Uninsured and collateralized	<u>2,417,683</u>	<u>2,504,657</u>
Total Cash and Equivalents and Certificates of Deposit	<u>\$7,473,481</u>	<u>\$7,560,455</u>

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2010, the Authority had the following investments and maturities:

	Credit Rating	Investment Maturities (in years)		
		Fair Value	<1	1 - <5
Money market funds	N/A	\$ 315,385	\$ 315,385	
Certificates of deposit	N/A	<u>4,449,160</u>	<u>2,482,750</u>	<u>\$1,966,410</u>
		<u>\$4,764,545</u>	<u>\$2,798,135</u>	<u>\$1,966,410</u>

Component Unit Deposits – As of December 31, 2010, the Component Unit’s carrying amount of deposits (excluding petty cash) was \$149,597. The bank balances held with financial institutions are entirely insured and are classified as cash and equivalents on the statement of net assets.

Restricted Deposits – Regulations of the U.S. Department of Housing and Urban Development require that security deposits be segregated from general funds of the Authority. Accordingly, the Authority and its Component Unit hold all security deposits in a separate interest-bearing account. At December 31, 2010, amounts held for security deposits totaled:

Security Deposits – Primary Government	\$130,490
Security Deposits – Component Unit	27,537

Pursuant to various agreements, the Authority and its Component Unit must hold amounts in escrow for restricted use. At December 31, 2010, amounts held in escrow totaled:

Escrow Deposits – Primary Government	\$ 70,207
Escrow Deposits – Component Unit	119,538

NOTE 3 – NOTES AND MORTGAGES RECEIVABLE

To aid low income families in purchasing homes through the Homebuyers Program, the Authority loans the buyer a down payment on the mortgage and takes a promissory note secured by a subordinated deed of trust upon the real estate. Providing the borrower does not refinance, sell, or transfer the property and is not in default of any other deed of trust on the property, no payments are required and, in fact, the Authority is forgiving a portion of the loan over a period of time. The balance of the mortgage receivable as of December 31, 2010 was \$14,164.

The Authority has gross notes receivable and advances and an offsetting allowance of \$1,149,507 for a loan made to the Component Unit. The allowance fully covers the loan which is payable to the Authority and dependent on uncertain cash flows.

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in the capital assets of the Authority for the year ended December 31, 2010:

	Balance at January 1, 2010	Additions	Disposals	Transfers	Balance at December 31, 2010
Non-depreciable capital assets:					
Land	\$ 1,372,716				\$ 1,372,716
Construction in progress	<u>175,191</u>	<u>\$ 16,250</u>		<u>\$(175,191)</u>	<u>16,250</u>
Total Non-Depreciable Capital Assets	<u>1,547,907</u>	<u>16,250</u>		<u>(175,191)</u>	<u>1,388,966</u>
Depreciable capital assets:					
Buildings and improvements	39,865,482	3,607,806		175,191	43,648,481
Furniture, equipment and machinery	<u>2,067,440</u>	<u>286,598</u>	<u>\$47,266</u>		<u>2,306,772</u>
Total Depreciable Capital Assets	<u>41,932,922</u>	<u>3,894,404</u>	<u>47,266</u>	<u>175,191</u>	<u>45,955,253</u>
Total Accumulated Depreciation	<u>27,846,228</u>	<u>1,432,572</u>	<u>41,532</u>		<u>29,237,270</u>
Total Depreciable Capital Assets, Net	<u>14,086,694</u>	<u>2,461,832</u>	<u>5,734</u>		<u>16,717,983</u>
Total Capital Assets, Net	<u>\$15,634,601</u>	<u>\$2,478,082</u>	<u>\$ 5,734</u>		<u>\$18,106,949</u>

The following is a summary of changes in the capital assets of the Component Unit for the year ended December 31, 2010:

	Balance at January 1, 2010	Additions	Disposals	Transfers	Balance at December 31, 2010
Non-depreciable capital assets:					
Land	\$ 467,800				\$ 467,800
Total Non-Depreciable Capital Assets	<u>467,800</u>				<u>467,800</u>
Depreciable capital assets:					
Buildings and improvements	6,716,057				6,716,057
Furniture, equipment and machinery	<u>691,164</u>				<u>691,164</u>
Total Depreciable Capital Assets	<u>7,407,221</u>				<u>7,407,221</u>

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Balance at January 1, 2010	Additions	Disposals	Transfers	Balance at December 31, 2010
Total Accumulated Depreciation	<u>\$ 2,241,940</u>	<u>\$ 228,327</u>	<u> </u>	<u> </u>	<u>\$2,470,267</u>
Total Depreciable Capital Assets, Net	<u>5,165,281</u>	<u>228,327</u>	<u> </u>	<u> </u>	<u>4,936,954</u>
Total Capital Assets, Net	<u>\$ 5,633,081</u>	<u>\$(228,327)</u>	<u> </u>	<u> </u>	<u>\$5,404,754</u>

NOTE 5 – RETIREMENT PLAN

The Authority contributes to the Indiana Public Employees' Retirement Fund (PERF), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. PERF was created and is governed by State statutes I.C.S.5-10.2 and 5-10.3. As such, it is the PERF Board of Trustees' responsibility to administer the law in accordance with the expressed intent of the Indiana General Assembly. The Plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

PERF covers substantially all full-time Authority employees. The PERF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the participant's annuity savings account.

PERF retirement benefits vest after 10 years of service. A participant who has reached age 65 and has at least 10 years of service is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1% times the average annual compensation times the number of years of PERF covered employment. The average annual compensation used for calculating the pension benefit is an average of the participant's 20 calendar quarters' salaries during PERF covered employment. A participant who has reached age 60 and has at least 15 years of service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit. A participant who is at least 55 years old and whose age plus number of years of PERF covered employment is at least 85 is also entitled to 100% of the pension benefit. A participant who has reached at least age 50 and has at least 15 years of service is eligible for early retirement with a reduced pension.

At retirement, participants may choose to receive a lump sum payment of the amount credited to the participant's annuity savings account instead of receiving the amount as an annuity. The annuity savings account may be withdrawn at any time should a participant terminate employment prior to retirement. Withdrawal of the annuity savings account prior to retirement results in forfeiture of the related pension benefit.

PERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement Fund, One North Capital, Suite 001, Indianapolis, Indiana 46204.

NOTE 5 – RETIREMENT PLAN (CONTINUED)

Participants are required by State statute to contribute 3% of their compensation to the annuity savings account. The Authority's mandatory contribution is a percentage of payroll adopted by the PERF Board of Trustees, based on recommendations by PERF's actuary, necessary to fund the pension benefit in accordance with State statute. For 2010, the rate was 4.25% of annual covered payroll and the Authority contribution was \$70,440.

The PERF funding policy provides for actuarially determined periodic contributions at rates that for individual employers increase gradually over time so that sufficient assets will be available to pay benefits when due. The mandatory contribution for 2010 was determined based on the July 1, 2008 actuarial valuation using the entry age normal cost funding method. The asset valuation method is 75% of expected actuarial value plus 25% of the actual market value. The actuarial assumptions included (a) a rate of return on investment (net of administrative expenses) of 7.25% per year; (b) projected salary increases of 4% per year based on PERF experience from 2000 to 2005; and (c) a post-retirement cost-of-living increase of 1.5% per year for the remaining lifetime of the benefit recipient. PERF uses the level dollar method to amortize the unfunded liability over a closed 30-year period.

NOTE 6 – COMPENSATED ABSENCES

Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave is not vested and is not paid to an employee upon separation. Vested or accumulated vacation is recorded as an expense and liability as the benefits accrue to employees. Sick leave is recorded as an expense as the employee utilizes it. A liability has been recorded for compensated absences totaling \$166,144 at December 31, 2010.

NOTE 7 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Component Unit

The mortgage note, dated February 8, 2002, is due to the Class B Special Limited Partner. The note was originally due in monthly installments of principal and interest through February 8, 2022, at which time the remaining balance was due. The mortgage note had an original balance of \$2,060,000. The note is secured by a first deed of trust on the rental property and an assignment of tenant rents.

On January 13, 2009, the terms of the note were modified. Effective March 8, 2009, monthly payments, including principal and interest of \$13,689 are required. The loan bears interest at 7.375% annually through February 8, 2011. Beginning March 8, 2011, the lender has the right to adjust the interest rate to the prime rate at that time plus 2.25%. The note now matures on October 8, 2036.

NOTE 7 – LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements of mortgage payable for the Component Unit as of December 31, 2010 are as follows:

Payable In	Principal	Interest
2011	\$ 27,056	\$ 139,821
2012	30,038	137,956
2013	33,348	135,949
2014	37,023	133,788
2015	41,095	131,463
2016-2020	205,610	615,727
2021-2025	296,962	524,376
2026-2030	428,901	392,436
2031-2035	619,466	201,879
2036	<u>174,534</u>	<u>2,550</u>
Total Requirements	<u>\$1,894,033</u>	<u>\$2,415,945</u>

On June 4, 1999, the Component Unit obtained a loan from the primary government, in the amount of \$567,800. The loan is noninterest-bearing, matures in 2029 and is secured by a second deed of trust on the rental property and an assignment of rents.

Also on June 4, 1999, the Component Unit obtained a loan from the Original General Partner, in the amount of \$392,000. The loan is noninterest bearing, matures in 2029 and is secured by a third deed of trust on the rental property and an assignment of rents. In 2007, the loan was assigned to the primary government.

	Balance at January 1, 2010	Additions/ Transfers	Retirements	Balance December 31, 2010	Due within one year
Mortgage payable to Class B Special Limited Partner	\$1,917,664		\$23,631	\$1,894,033	\$27,056
Loans payable to primary government	959,800			959,800	
Advances due to primary government (see Note 12)	<u>190,850</u>		<u>843</u>	<u>190,007</u>	
Total Notes Payable and Advances	<u>\$3,068,314</u>		<u>\$24,474</u>	<u>\$3,043,840</u>	<u>\$27,056</u>

NOTE 8 – RISK MANAGEMENT

The Authority is exposed to various risks of loss from torts, theft of, damages to, or destruction of assets, business interruption, errors or omissions, job related illnesses or injuries to employees, and natural disasters. The Authority has purchased commercial insurance to mitigate its exposure to such losses. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductible and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of such uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. Settled claims to date have not exceeded coverage levels, and insurance coverage levels, and insurance coverage, by major categories of risk, is consistent with coverage in the prior year.

NOTE 9 – CONCENTRATIONS

The Authority is substantially funded by federal awards. The Authority received 78% of its total revenue from a single Federal Agency during the year ended December 31, 2010. Management does not anticipate any material change in funding.

A portion of the labor costs of the Authority are attributable to employees under a collective bargaining agreement. Consequently, the Authority is subject to this agreement with respect to wages and other labor-related matters.

NOTE 10 – CONTINGENCIES

The Authority is party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

In prior years, the Authority entered into a co-development agreement with an unrelated entity. The purpose of this agreement was to re-develop a property. Subsequent to December 31, 2010, the agreement has been terminated. As of the date of issuance, the asserted claim against the Authority is \$491,128. As of the date of issuance, it is undeterminable if the claim is more than likely to be awarded.

NOTE 11 – COMMITMENTS

Pursuant to HUD Office of Inspector General audits conducted in 2002 and 2004 the Authority had an initial commitment of \$1,518,517 to HUD. The Authority has implemented a HUD approved plan to reimburse HUD through a non-federal program that promotes resident homeownership. As of December 31, 2010, the Authority has a commitment of \$1,145,883. This commitment is not recorded as a liability on the statement of net assets.

NOTE 12 – RELATED PARTY INFORMATION

The Authority has advanced funds to Lincoln Estates Redevelopment Partnership, L.P. in the amount of \$1,149,507 during prior years. Management has declared the entire amount uncollectible and has set up an allowance for doubtful accounts in the amount of \$1,149,507 as of December 31, 2010.

Also, the Authority has transacted certain activity with various entities that are managed by a member of the Board of Commissioners. The Board member does not have any ownership in these entities. The Board member's management company receives a management fee for managing the operations of these entities. These entities (not the Board member) received housing assistance payments of approximately \$181,360 during 2010 through the Authority's Housing Choice Voucher Program. The HUD Indianapolis office has provided the Authority a waiver allowing the Board member to serve in the capacity as a commissioner and continue his role in managing these entities.

Component Unit

Advances

The original general partner had advanced funds to the Project in order for it to meet financial obligations. These advances were assigned to the Authority. As of December 31, 2010, outstanding advances amounted to \$133,713.

The Authority also advanced funds in the amount of \$55,994 to the Project in order for it to meet financial obligations. As of December 31, 2010, the outstanding advances amounted to \$55,994.

Limited Partner Reporting Fee

The partnership agreement provides that an annual limited partner reporting fee of \$7,500 be paid to the Limited Partner from available net operating income. During the year ended December 31, 2010, \$7,500 was charged to operations. As of December 31, 2010, \$45,000 was payable to the Limited Partner.

Incentive Management Fee

The partnership agreement provides that an incentive management fee be paid to the General Partner for services in connection with the management of the Project. The fee is equal to 70% of available net operating income and does not accrue. No incentive management fee was incurred for the year ended December 31, 2010.

Net Operating Income

Net Operating Income, as defined in the partnership agreement, is available for distribution after year end in accordance with the partnership agreement. As of December 31, 2010, there was no Net Operating Income available for distribution.

NOTE 13 – RESTATEMENT OF 2009 FINANCIAL STATEMENTS

During 2010, management discovered net assets were improperly released from restrictions in prior years related to the replacement reserve for the Low Rent Public Housing program. The beginning net assets were restated to properly classify the restricted net assets. As a result, the Authority recorded an increase in restricted net assets and decrease in unrestricted net assets of \$2,823,600 as of December 31, 2009, from the amounts previously reported.

*Independent Auditors' 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*

Year Ended December 31, 2010

Board of Commissioners
The Housing Authority of the City of Evansville, Indiana

We have audited the financial statements of the business-type activities (primary government) and the discretely presented component unit of The Housing Authority of the City of Evansville, Indiana (the "Authority") as of and for the year ended December 31, 2010, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 26, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Lincoln Estates Redevelopment Partnership, L.P., as described in our report on The Housing Authority of the City of Evansville, Indiana's financial statements. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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, we identified certain deficiencies in internal control over financial reporting that we 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-01 and 2010-02 to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Authority in a separate letter dated September 26, 2011.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the Authority, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Katz, Sapp & Miller, LLP

Indianapolis, Indiana
September 26, 2011

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2010**

Federal Grantor	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Low Rent Public Housing	14.850a	\$ 2,304,201
Section 8 Housing Choice Vouchers (a)	14.871	9,872,982
Capital Fund Program Cluster:		
Public Housing Capital Fund Program	14.872	2,012,563
ARRA - Public Housing Capital Fund Competitive*	14.884	1,386,060
ARRA - Public Housing Capital Fund Stimulus*	14.885	1,477,454
U.S. DEPARTMENT OF LABOR		
ARRA - Youthbuild*	17.274	<u>524,254</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 17,577,514</u></u>

* *Grant relates to the American Recovery and Reinvestment Act of 2009*

(a) The Authority's expenditures include \$8,770,494 of Housing Assistance Payments.

See accompanying note to schedule of expenditures of federal awards.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Housing Authority of the City of Evansville, Indiana (the Authority), a governmental entity. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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*Independent Auditors' 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*

Year Ended December 31, 2010

Board of Commissioners
The Housing Authority of the City of Evansville, Indiana

Compliance

We have audited The Housing Authority of the City of Evansville, Indiana's (the "Authority") compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2010. The Authority's major federal programs are identified in the summary of auditors' 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 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; 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 of the Authority's compliance with those requirements.

In our opinion, the Authority 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 December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-03 and 2010-04.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-03 and 2010-04. *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.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the Authority, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Katz, Sappun & Miller, LLP

Indianapolis, Indiana
September 26, 2011

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010**

SECTION I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued [*unqualified, qualified, adverse, or disclaimer*]: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s report issued on compliance for major programs [*unqualified, qualified, adverse, or disclaimer*]: Unqualified

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund Program (CFP Cluster)
14.884	ARRA – Public Housing Capital Fund Competitive (CFP Cluster)
14.885	ARRA – Public Housing Capital Fund Stimulus (CFP Cluster)
17.274	ARRA –Youthbuild

Dollar threshold used to distinguish between type A and type B programs: \$527,325

Auditee qualified as low-risk auditee? yes no

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2010

SECTION II – Financial Statement Findings

2010-01 Prior Period Adjustment – Reclassification of Net Assets

Material Weakness in Internal Control over Financial Reporting

Criteria: Accounting principles generally accepted in the United States require the Authority to present net assets with restrictions separate from unrestricted net assets until such restrictions are released.

Condition and Context: Net assets were improperly released from restrictions in prior years related to the replacement reserve for the Low Rent Public Housing program. The 2009 financial statements were restated to properly classify the restricted net assets, as described in Note 13 to the financial statements.

Cause and Effect: Established internal controls failed to prevent, or detect and correct the error on a timely basis. Thus, restricted net assets were improperly presented as unrestricted in prior years' financial statements.

Recommendation: Management should evaluate internal controls related to reclassifying restricted net assets to unrestricted to ensure restrictions are appropriately presented in the financial statements. Management should consider maintaining restricted funds and unrestricted funds in separate cash and investment accounts to facilitate proper record-keeping and improve transparency.

Management Response: Management agrees with this finding. The recommended procedures will be implemented as described above.

2010-02 Prior Period Adjustment/Material Misstatements – Component Units

Material Weakness in Internal Control over Financial Reporting

Criteria: The Authority must properly identify and record all activity for component units under accounting principles generally accepted in the United States.

Condition and Context: Our audit procedures discovered that component units were not accounted for properly under accounting principles generally accepted in the United States. The financial statements were adjusted to properly reflect component units.

Cause and Effect: Established internal controls failed to prevent, or detect and correct the error on a timely basis. Thus, component units were not properly presented in the financial statements.

Recommendation: Management should review all component unit activity and ensure the activity is properly recorded and presented under accounting principles generally accepted in the United States.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended December 31, 2010

2010-02 Prior Period Adjustment/Material Misstatements – Component Units

Material Weakness in Internal Control over Financial Reporting (Continued)

Management Response: Management agrees with this finding. The recommended procedures will be implemented as described above.

SECTION III – Federal Award Findings and Questioned Costs

U.S. Department of Housing and Urban Development

2010-03 Section 8 Housing Choice Voucher Program – CFDA #14.871

Special Tests and Provisions – General Depository Agreement

Criteria: The Authority is required under 24 CFR section 982.156 to enter into depository agreements with each banking institution in which Housing Choice Voucher funds are deposited in the form required by HUD (HUD Form 51999).

Condition and Context: The Authority maintains Housing Choice Voucher funds with two banking institutions. The required depository agreement was in place with only one banking institution as of the beginning of the year. A depository agreement was obtained for the other institution in September 2010. A similar finding was noted in the 2009 schedule of findings and questioned costs as finding 09-03.

Cause and Effect: A significant deficiency in internal control over compliance existed. The Authority's internal control over compliance failed to identify and ensure compliance with the compliance requirement.

Recommendations: We recommend that the Authority implement adequate internal controls to ensure that general depository agreements are obtained from all banks in which the Authority's funds are deposited.

Management Response: Management agrees with this finding. The Authority obtained HUD Form 51999 in September 2010 from the second banking institution, in response to the similar finding noted in the 2009 schedule of findings and questioned costs. The Authority now has depository agreements with both banking institutions.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 2010**

2010-04 Section 8 Housing Choice Voucher Program – CFDA 14.871

Eligibility – Incomplete Tenant Files

Criteria: HUD requires there to be a written agreement between the Authority and the owner of the unit occupied by a housing choice voucher program participant, known as a HAP contract. In addition, HUD requires that the tenant and the owner enter and execute a written lease for a unit. These documents should be maintained in the tenant files.

Condition and Context: We selected 40 participant files for our testing of compliance with eligibility requirements. We noted that 1 of the participant files did not contain a signed lease agreement or a signed HAP contract. Thus, we were unable to verify the Authority's compliance with the related requirements for this file.

Cause and Effect: A significant deficiency in internal control over compliance exists, as adequate documentation to demonstrate compliance with requirements was not maintained in all participant files.

Recommendations: The Authority should implement adequate internal controls and procedures to ensure that required documentation is maintained in the participant files.

Management Response: Management agrees with this finding. The recommended procedures will be implemented as described above.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2010**

U.S. Department of Housing and Urban Development

09-03 Section 8 Housing Choice Voucher Program – CFDA 14.871

General Depository Agreement Not Obtained

Condition: HUD Form 51999 had been obtained from only one of the two banks used to deposit Housing Choice Voucher funds.

Recommendation: The auditor recommended the Authority obtain general depository agreements from all banks in which the funds are deposited.

Status: The recommendation was adopted in September 2010. A similar finding was noted in the 2010 audit, since the depository agreement was not obtained prior to the beginning of the year.

09-04 Section 8 - Housing Choice Voucher Program – CFDA 14.871

Significant Deficiency in Internal Control over Compliance

Condition: This finding was a significant deficiency related to finding 09-03. HUD Form 51999 had been obtained from only one of the two banks used to deposit Housing Choice Voucher funds.

Recommendation: The auditor recommended the Authority implement adequate internal controls to ensure that general depository agreements are obtained from all banks in which the funds are deposited.

Status: The recommendation was adopted in September 2010. A similar finding was noted in the 2010 audit, since the depository agreement was not obtained prior to the beginning of the year.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended December 31, 2010**

09-05 Section 8 - Housing Choice Voucher Program – CFDA 14.871

Eligibility - Incomplete Tenant Files

Condition: During the course of 2009 testing of tenant eligibility, the auditor noted 3 out of 40 tenant files examined did not contain the original tenant application form. The auditor also noted that 10 out of the 40 tenant files did not have a signed lease agreement and 7 instances where there were no signed HAP agreements. Adequate documentation to substantiate eligibility determinations and compliance with federal regulations was not maintained.

Recommendation: The auditor recommended the Authority implement adequate internal controls to ensure that all documentation is maintained in the files and that controls are in place to ensure compliance with federal regulations.

Status: Management has been working towards ensuring all documentation to substantiate eligibility is maintained. A similar finding was noted in the 2010 audit. However, only one file of the 40 selected was found to have missing documentation.

09-06 Section 8 - Housing Choice Voucher Program – CFDA 14.871

Significant Deficiency in Internal Control over Compliance

Condition: This finding was a significant deficiency related to finding 09-05. Adequate documentation to substantiate eligibility determinations and compliance with federal regulations was not maintained.

Recommendation: The auditor recommended the Authority implement adequate internal controls to ensure that all documentation is maintained in the files and that controls are in place to ensure compliance with federal regulations.

Status: Management has been working towards ensuring all documentation to substantiate eligibility is maintained. A similar finding was noted in the 2010 audit. However, only one file of the 40 selected was found to have missing documentation.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended December 31, 2010**

09-07 Section 8 - Housing Choice Voucher Program – CFDA 14.871

Special Tests - Incomplete Documentation of Housing Quality Standards (HQS) Inspections

Condition: During the auditor's testing of HQS inspections, there was one instance noted where the HQS inspection was not completed within one year and 1 noted where the inspection form was not included in the file. The Authority did not comply with HUD requirements related to HQS inspections.

Recommendations: The auditor recommended that the Authority implement procedures to ensure that all required documentation is maintained in the files. The auditor also recommended that information be reviewed by a program supervisor to ensure compliance with all federal regulations.

Status: The Authority has implemented the recommended procedures. No similar findings were noted in the 2010 audit.

09-08 Section 8 - Housing Choice Voucher Program – CFDA 14.871

Significant Deficiency in Internal Control over Compliance

Condition: This finding is a significant deficiency related to finding 09-07. The Authority did not comply with HUD requirements related to HQS inspections.

Recommendations: The auditor recommended that the Authority implement procedures to ensure that all required documentation is maintained in the files. The auditor also recommended that information be reviewed by a program supervisor to ensure compliance with all federal regulations.

Status: The Authority has implemented the recommended procedures. No similar findings were noted in the 2010 audit.

THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED) Year Ended December 31, 2010

09-09 Section 8 - Housing Choice Voucher Program - CFDA 14.871

Special Tests - Inadequate Reasonable Rent Documentation and Incomplete Tenant Files

Condition: During the auditor's testing of participant files, there were two instances noted where documentation was not maintained in the tenant files for rent reasonableness. Adequate documentation to rent reasonableness calculations and compliance with federal regulations was not maintained.

Recommendations: The auditor recommended that the Authority implement procedures to ensure that all required documentation is maintained in the files. The auditor also recommended that information be reviewed by a program supervisor to ensure compliance with all federal regulations.

Status: Management has been working towards ensuring all documentation is maintained in the participant files. A similar finding was noted in the 2010 audit. However, only one file of the 40 selected was found to have missing documentation and the missing documentation did not relate to rent reasonableness.

09-10 Section 8 - Housing Choice Voucher Program - CFDA 14.871

Significant Deficiency in Internal Control over Compliance

Condition: This finding is a significant deficiency related to finding 09-09. Adequate documentation to rent reasonableness calculations and compliance with federal regulations was not maintained.

Recommendations: The auditor recommended that the Authority implement procedures to ensure that all required documentation is maintained in the files. The auditor also recommended that information be reviewed by a program supervisor to ensure compliance with all federal regulations.

Status: Management has been working towards ensuring all documentation is maintained in the participant files. A similar finding was noted in the 2010 audit. However, only one file of the 40 selected was found to have missing documentation and the missing documentation did not relate to rent reasonableness.

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
111 Cash - Unrestricted	\$2,966,813	\$186,082	\$151,345		
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$19,724			
114 Cash - Tenant Security Deposits	\$128,290		\$0	\$2,200	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$3,095,103	\$205,806	\$151,345	\$2,200	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$112,756				\$81,560
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$13,523	\$75,896			
126 Accounts Receivable - Tenants	\$50,132	\$0	\$0	\$1,570	
126.1 Allowance for Doubtful Accounts -Tenants	-\$36,485		\$0	\$0	
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current			\$1,050		
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$5,308				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$145,234	\$75,896	\$1,050	\$1,570	\$81,560
131 Investments - Unrestricted	\$839,599	\$0			
132 Investments - Restricted	\$2,876,805	\$732,756			
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$2,152	\$1,329			
143 Inventories					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From		\$115,187			
145 Assets Held for Sale					
150 Total Current Assets	\$6,958,893	\$1,130,974	\$152,395	\$3,770	\$81,560
161 Land	\$1,312,716		\$0	\$10,000	
162 Buildings	\$39,315,076		\$0	\$1,680,937	
163 Furniture, Equipment & Machinery - Dwellings	\$916,224		\$0	\$10,119	
164 Furniture, Equipment & Machinery - Administration	\$500,007	\$153,959			
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$27,073,002	-\$84,111	\$0	-\$682,470	
167 Construction in Progress	\$1,219,654			\$16,250	
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$16,190,675	\$69,848	\$0	\$1,034,836	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$13,114		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$16,190,675	\$69,848	\$13,114	\$1,034,836	\$0
190 Total Assets	\$23,149,568	\$1,200,822	\$165,509	\$1,038,606	\$81,560
311 Bank Overdraft	\$0		\$0	\$30,775	\$73,950
312 Accounts Payable <= 90 Days	\$108,012	\$3,319	\$159	\$5,446	\$1,242

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$14,125	\$7,934			
322 Accrued Compensated Absences - Current Portion	\$59,592	\$30,815			
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs	\$9				
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$128,290		\$0	\$2,200	
342 Deferred Revenues	\$5,922			\$1	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$35,293	\$14,111	\$0	\$370	
346 Accrued Liabilities - Other	\$226,958	\$470		\$507	
347 Inter Program - Due To	\$86,363		\$0	\$208,182	\$6,368
348 Loan Liability - Current					
310 Total Current Liabilities	\$664,564	\$56,649	\$159	\$247,481	\$81,560
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		\$19,741	\$0		
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$19,741	\$0	\$0	\$0

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
300 Total Liabilities	\$664,564	\$76,390	\$159	\$247,481	\$81,560
508.1 Invested In Capital Assets, Net of Related Debt	\$16,190,674	\$0		\$1,018,586	
509.2 Fund Balance Reserved					
511.2 Unreserved, Designated Fund Balance					
511.1 Restricted Net Assets	\$2,876,805	\$752,480			
512.1 Unrestricted Net Assets	\$3,417,525	\$371,952	\$165,350	-\$227,461	\$0
512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets	\$22,485,004	\$1,124,432	\$165,350	\$791,125	\$0
600 Total Liabilities and Equity/Net Assets	\$23,149,568	\$1,200,822	\$165,509	\$1,038,606	\$81,560

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
111 Cash - Unrestricted		\$0		\$2,522	\$133,787
112 Cash - Restricted - Modernization and Development		\$0		\$73,302	
113 Cash - Other Restricted				\$46,236	
114 Cash - Tenant Security Deposits				\$27,537	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$0	\$0	\$149,597	\$133,787
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects			\$1,025,242		
124 Accounts Receivable - Other Government	\$28,050				
125 Accounts Receivable - Miscellaneous				\$0	\$244,281
126 Accounts Receivable - Tenants				\$1,665	
126.1 Allowance for Doubtful Accounts -Tenants				\$0	
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$0		\$535	
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$28,050	\$0	\$1,025,242	\$2,200	\$244,281
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					\$6,628
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$28,050	\$0	\$1,025,242	\$151,797	\$384,696
161 Land				\$467,800	\$50,000
162 Buildings			\$0	\$6,716,057	\$1,432,814
163 Furniture, Equipment & Machinery - Dwellings				\$691,164	
164 Furniture, Equipment & Machinery - Administration					\$726,462
165 Leasehold Improvements					
166 Accumulated Depreciation			\$0	-\$2,470,267	-\$1,397,687
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$5,404,754	\$811,589
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0			\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets				\$56,310	
176 Investments in Joint Ventures					\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$5,461,064	\$811,589
190 Total Assets	\$28,050	\$0	\$1,025,242	\$5,612,861	\$1,196,285
311 Bank Overdraft	\$19,517		\$439,680		
312 Accounts Payable <= 90 Days	\$3,951	\$0	\$585,562	\$28,597	\$92,634
313 Accounts Payable >90 Days Past Due	\$608				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
321 Accrued Wage/Payroll Taxes Payable	\$0				\$51,105
322 Accrued Compensated Absences - Current Portion					\$75,937
324 Accrued Contingency Liability					
325 Accrued Interest Payable				\$0	
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits				\$26,377	
342 Deferred Revenues				\$5,763	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage				\$0	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities				\$56,640	\$24,936
346 Accrued Liabilities - Other	\$3,934			\$118,368	\$5,096
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$28,010	\$0	\$1,025,242	\$235,745	\$249,708
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$1,866,977	
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		\$0		\$1,149,507	
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$3,016,484	\$0

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
300 Total Liabilities	\$28,010	\$0	\$1,025,242	\$3,252,229	\$249,708
508.1 Invested In Capital Assets, Net of Related Debt			\$0	\$5,404,754	\$811,589
509.2 Fund Balance Reserved					
511.2 Unreserved, Designated Fund Balance					
511.1 Restricted Net Assets	\$0				
512.1 Unrestricted Net Assets	\$40	\$0	\$0	-\$3,044,122	\$134,988
512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets	\$40	\$0	\$0	\$2,360,632	\$946,577
600 Total Liabilities and Equity/Net Assets	\$28,050	\$0	\$1,025,242	\$5,612,861	\$1,196,285

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$3,440,549		\$3,440,549
112 Cash - Restricted - Modernization and Development	\$73,302		\$73,302
113 Cash - Other Restricted	\$65,960		\$65,960
114 Cash - Tenant Security Deposits	\$158,027		\$158,027
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$3,737,838	\$0	\$3,737,838
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$1,219,558		\$1,219,558
124 Accounts Receivable - Other Government	\$28,050		\$28,050
125 Accounts Receivable - Miscellaneous	\$333,700	-\$244,281	\$89,419
126 Accounts Receivable - Tenants	\$53,367		\$53,367
126.1 Allowance for Doubtful Accounts -Tenants	-\$36,485		-\$36,485
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$1,585		\$1,585
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable	\$5,308		\$5,308
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,605,083	-\$244,281	\$1,360,802
131 Investments - Unrestricted	\$839,599		\$839,599
132 Investments - Restricted	\$3,609,561		\$3,609,561
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$10,109		\$10,109
143 Inventories			
143.1 Allowance for Obsolete Inventories			

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
144 Inter Program Due From	\$115,187	\$92,995	\$208,182
145 Assets Held for Sale			
150 Total Current Assets	\$9,917,377	-\$151,286	\$9,766,091
161 Land	\$1,840,516		\$1,840,516
162 Buildings	\$49,144,884		\$49,144,884
163 Furniture, Equipment & Machinery - Dwellings	\$1,617,507		\$1,617,507
164 Furniture, Equipment & Machinery - Administration	\$1,380,428		\$1,380,428
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$31,707,537		-\$31,707,537
167 Construction in Progress	\$1,235,904		\$1,235,904
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$23,511,702	\$0	\$23,511,702
171 Notes, Loans and Mortgages Receivable - Non-Current	\$13,114		\$13,114
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets	\$56,310		\$56,310
176 Investments in Joint Ventures	\$0		\$0
180 Total Non-Current Assets	\$23,581,126	\$0	\$23,581,126
190 Total Assets	\$33,498,503	-\$151,286	\$33,347,217
311 Bank Overdraft	\$563,922		\$563,922
312 Accounts Payable <= 90 Days	\$828,922	-\$58,555	\$770,367
313 Accounts Payable >90 Days Past Due	\$608		\$608

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
321 Accrued Wage/Payroll Taxes Payable	\$73,164		\$73,164
322 Accrued Compensated Absences - Current Portion	\$166,344		\$166,344
324 Accrued Contingency Liability			
325 Accrued Interest Payable	\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$9		\$9
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits	\$156,867		\$156,867
342 Deferred Revenues	\$11,686		\$11,686
343 Current Portion of Long-term Debt - Capital Projects/Mortgage	\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities	\$131,350		\$131,350
346 Accrued Liabilities - Other	\$355,333		\$355,333
347 Inter Program - Due To	\$300,913	-\$92,731	\$208,182
348 Loan Liability - Current			
310 Total Current Liabilities	\$2,589,118	-\$151,286	\$2,437,832
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$1,866,977		\$1,866,977
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other	\$1,169,248		\$1,169,248
354 Accrued Compensated Absences - Non Current			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$3,036,225	\$0	\$3,036,225

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
300 Total Liabilities	\$5,625,343	-\$151,286	\$5,474,057
508.1 Invested In Capital Assets, Net of Related Debt	\$23,425,603		\$23,425,603
509.2 Fund Balance Reserved			
511.2 Unreserved, Designated Fund Balance			
511.1 Restricted Net Assets	\$3,629,285		\$3,629,285
512.1 Unrestricted Net Assets	\$818,272		\$818,272
512.2 Unreserved, Undesignated Fund Balance			
513 Total Equity/Net Assets	\$27,873,160	\$0	\$27,873,160
600 Total Liabilities and Equity/Net Assets	\$33,498,503	-\$151,286	\$33,347,217

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
70300 Net Tenant Rental Revenue	\$1,979,719		\$0	\$83,796	
70400 Tenant Revenue - Other	\$255,639		\$0	\$961	
70500 Total Tenant Revenue	\$2,235,358	\$0	\$0	\$84,757	\$0
70600 HUD PHA Operating Grants	\$3,190,041	\$9,532,356			\$155,599
70610 Capital Grants	\$1,133,114			\$3,500	\$1,321,855
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0		\$0		
71100 Investment Income - Unrestricted	\$80,295	\$5,961	\$861		
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$29,724			
71500 Other Revenue	\$18,517	\$92,910	\$0	\$120,571	
71600 Gain or Loss on Sale of Capital Assets	\$4,552				
72000 Investment Income - Restricted	\$172	\$8,693			
70000 Total Revenue	\$6,662,049	\$9,669,644	\$861	\$208,828	\$1,477,454
91100 Administrative Salaries	\$457,094	\$492,999	\$0	\$7,307	

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
91200 Auditing Fees	\$22,802	\$39,488			
91300 Management Fee	\$743,171	\$85,464			\$155,599
91310 Book-keeping Fee	\$78,451	\$96,147			
91400 Advertising and Marketing	\$2,714				
91500 Employee Benefit contributions - Administrative	\$173,458	\$148,435	\$0	\$1,026	
91600 Office Expenses	\$131,560	\$130,471	\$280	\$9,193	
91700 Legal Expense	\$64,299	\$80	\$0	\$48	
91800 Travel	\$3,841	\$824	\$0	\$373	
91810 Allocated Overhead					
91900 Other					
91000 Total Operating - Administrative	\$1,677,390	\$993,908	\$280	\$17,947	\$155,599
92000 Asset Management Fee	\$106,052				
92100 Tenant Services - Salaries	\$4,818		\$0	\$108	
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$8,259				
92500 Total Tenant Services	\$13,077	\$0	\$0	\$108	\$0
93100 Water	\$120,507		\$0	\$562	
93200 Electricity	\$639,906		\$0	\$3,322	
93300 Gas	\$185,641		\$0	\$1,150	
93400 Fuel	\$136				
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
93800 Other Utilities Expense					
93000 Total Utilities	\$946,190	\$0	\$0	\$5,034	\$0
94100 Ordinary Maintenance and Operations - Labor	\$615,595				
94200 Ordinary Maintenance and Operations - Materials and Other	\$189,176	\$2,935	\$0	\$2,748	
94300 Ordinary Maintenance and Operations Contracts	\$469,001	\$12,452	\$0	\$8,437	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$185,763				
94000 Total Maintenance	\$1,459,535	\$15,387	\$0	\$11,186	\$0
95100 Protective Services - Labor	\$1,538				
95200 Protective Services - Other Contract Costs	\$2,462				
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$4,000	\$0	\$0	\$0	\$0
96110 Property Insurance	\$130,917	\$1,011	\$0	\$5,470	
96120 Liability Insurance					
96130 Workmen's Compensation	\$12,661	\$7,532	\$0	\$310	
96140 All Other Insurance					
96100 Total insurance Premiums	\$143,578	\$8,543	\$0	\$5,780	\$0
96200 Other General Expenses	\$94		\$0	\$2,759	
96210 Compensated Absences					
96300 Payments in Lieu of Taxes	\$140,156				
96400 Bad debt - Tenant Rents	\$59,288				
96500 Bad debt - Mortgages					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
96600 Bad debt - Other	-\$19,777	-\$1,869			
96800 Severance Expense					
96000 Total Other General Expenses	\$179,761	-\$1,869	\$0	\$2,759	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)			\$5,794		
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$5,794	\$0	\$0
96900 Total Operating Expenses	\$4,529,583	\$1,015,969	\$6,074	\$42,814	\$155,599
97000 Excess of Operating Revenue over Operating Expenses	\$2,132,466	\$8,653,675	-\$5,213	\$166,014	\$1,321,855
97100 Extraordinary Maintenance	\$232,011				
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$8,770,494			
97350 HAP Portability-In		\$0			
97400 Depreciation Expense	\$1,244,201	\$12,019	\$0	\$62,096	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$6,005,795	\$9,798,482	\$6,074	\$104,910	\$155,599
10010 Operating Transfer In	\$263,353				
10020 Operating transfer Out	-\$263,353				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
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)	\$0				
10091 Inter Project Excess Cash Transfer In	\$500,000				
10092 Inter Project Excess Cash Transfer Out	-\$500,000				
10093 Transfers between Program and Project - In	\$1,115,832				
10094 Transfers between Project and Program - Out	-\$1,115,832				\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$656,254	-\$128,838	-\$5,213	\$103,918	\$1,321,855
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$19,202,257	\$1,253,270	\$170,563	\$687,207	\$84,991
11040 Prior Period Adjustments, Equity Transfers and Correction of	\$2,626,493	\$0			-\$1,406,846
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		\$371,952			
11180 Housing Assistance Payments Equity		\$752,480			
11190 Unit Months Available	10620	22872	0	286	

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant
11210 Number of Unit Months Leased	9502	21366	0	210	
11270 Excess Cash	\$3,076,598				
11610 Land Purchases	\$800				
11620 Building Purchases	\$3,500,119				
11630 Furniture & Equipment - Dwelling Purchases	\$54,176				
11640 Furniture & Equipment - Administrative Purchases	\$26,745				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
70300 Net Tenant Rental Revenue				\$645,508	\$0
70400 Tenant Revenue - Other				\$10,322	
70500 Total Tenant Revenue	\$0	\$0	\$0	\$655,830	\$0
70600 HUD PHA Operating Grants			\$166,406		
70610 Capital Grants			\$1,219,654		
70710 Management Fee					\$1,122,840
70720 Asset Management Fee					\$106,051
70730 Book Keeping Fee					\$174,597
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					\$1,403,488
70800 Other Government Grants	\$524,254				
71100 Investment Income - Unrestricted		\$0		\$137	\$2,872
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$75				\$90,512
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$524,329	\$0	\$1,386,060	\$655,967	\$1,496,872
91100 Administrative Salaries	\$87,986			\$80,620	\$753,349
91200 Auditing Fees				\$3,500	\$3,721

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
91300 Management Fee			\$138,606	\$45,972	
91310 Book-keeping Fee				\$0	
91400 Advertising and Marketing	\$516			\$2,434	\$2,406
91500 Employee Benefit contributions - Administrative	\$31,490			\$27,424	\$206,895
91600 Office Expenses	\$8,040	\$0		\$26,712	\$164,212
91700 Legal Expense				\$4,212	\$32,031
91800 Travel	\$532				\$13,346
91810 Allocated Overhead					
91900 Other				\$2,744	\$75,896
91000 Total Operating - Administrative	\$128,564	\$0	\$138,606	\$193,618	\$1,251,856
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water					\$2,242
93200 Electricity				\$55,137	\$24,960
93300 Gas					\$8,187
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
93000 Total Utilities	\$0	\$0	\$0	\$55,137	\$35,389
94100 Ordinary Maintenance and Operations - Labor	\$228,044				\$1,374
94200 Ordinary Maintenance and Operations - Materials and Other	\$8,014				\$24,523
94300 Ordinary Maintenance and Operations Contracts	\$126,803		\$27,800	\$93,521	\$46,080
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,571				\$371
94000 Total Maintenance	\$378,432	\$0	\$27,800	\$93,521	\$72,348
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance				\$28,068	\$11,079
96120 Liability Insurance					
96130 Workmen's Compensation	\$2,055				\$21,902
96140 All Other Insurance					
96100 Total insurance Premiums	\$2,055	\$0	\$0	\$28,068	\$32,981
96200 Other General Expenses					\$95,074
96210 Compensated Absences					
96300 Payments in Lieu of Taxes				\$99,055	
96400 Bad debt - Tenant Rents				\$8,873	
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$0	\$0	\$107,928	\$95,074
96710 Interest of Mortgage (or Bonds) Payable				\$140,494	
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs				\$5,081	
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$145,575	\$0
96900 Total Operating Expenses	\$509,051	\$0	\$166,406	\$623,847	\$1,487,648
97000 Excess of Operating Revenue over Operating Expenses	\$15,278	\$0	\$1,219,654	\$32,120	\$9,224
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense				\$228,327	\$114,255
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$509,051	\$0	\$166,406	\$852,174	\$1,601,903
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
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	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$15,278	\$0	\$1,219,654	-\$196,207	-\$105,031
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$27,056	\$0
11030 Beginning Equity	-\$15,238	\$0	\$0	\$2,556,839	\$1,051,608
11040 Prior Period Adjustments, Equity Transfers and Correction of			-\$1,219,654		
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					
11210 Number of Unit Months Leased					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	17.274 YouthBuild Program	91 Other Federal Program 3	14.884 Competitive Capital Fund Stimulus Grant	6 Component Units	COCC
11270 Excess Cash					
11610 Land Purchases					\$0
11620 Building Purchases					\$0
11630 Furniture & Equipment - Dwelling Purchases					\$0
11640 Furniture & Equipment - Administrative Purchases					\$0
11650 Leasehold Improvements Purchases					\$0
11660 Infrastructure Purchases					\$0
13510 CFFP Debt Service Payments					\$0
13901 Replacement Housing Factor Funds					\$0

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,709,023		\$2,709,023
70400 Tenant Revenue - Other	\$266,922		\$266,922
70500 Total Tenant Revenue	\$2,975,945	\$0	\$2,975,945
70600 HUD PHA Operating Grants	\$13,044,402		\$13,044,402
70610 Capital Grants	\$3,678,123		\$3,678,123
70710 Management Fee	\$1,122,840	-\$1,122,840	\$0
70720 Asset Management Fee	\$106,051	-\$106,051	\$0
70730 Book Keeping Fee	\$174,597	-\$174,594	\$3
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue	\$1,403,488	-\$1,403,485	\$3
70800 Other Government Grants	\$524,254		\$524,254
71100 Investment Income - Unrestricted	\$90,126		\$90,126
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$29,724		\$29,724
71500 Other Revenue	\$322,585		\$322,585
71600 Gain or Loss on Sale of Capital Assets	\$4,552		\$4,552
72000 Investment Income - Restricted	\$8,865		\$8,865
70000 Total Revenue	\$22,082,064	-\$1,403,485	\$20,678,579
91100 Administrative Salaries	\$1,879,355		\$1,879,355
91200 Auditing Fees	\$69,511		\$69,511

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
91300 Management Fee	\$1,168,812	-\$1,122,840	\$45,972
91310 Book-keeping Fee	\$174,598	-\$174,598	\$0
91400 Advertising and Marketing	\$8,070		\$8,070
91500 Employee Benefit contributions - Administrative	\$588,728		\$588,728
91600 Office Expenses	\$470,468		\$470,468
91700 Legal Expense	\$100,670		\$100,670
91800 Travel	\$18,916		\$18,916
91810 Allocated Overhead			
91900 Other	\$78,640		\$78,640
91000 Total Operating - Administrative	\$4,557,768	-\$1,297,438	\$3,260,330
92000 Asset Management Fee	\$106,052	-\$106,062	-\$10
92100 Tenant Services - Salaries	\$4,926		\$4,926
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$8,259		\$8,259
92500 Total Tenant Services	\$13,185	\$0	\$13,185
93100 Water	\$123,311		\$123,311
93200 Electricity	\$723,325		\$723,325
93300 Gas	\$194,978		\$194,978
93400 Fuel	\$136		\$136
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
93000 Total Utilities	\$1,041,750	\$0	\$1,041,750
94100 Ordinary Maintenance and Operations - Labor	\$845,013		\$845,013
94200 Ordinary Maintenance and Operations - Materials and Other	\$227,396		\$227,396
94300 Ordinary Maintenance and Operations Contracts	\$784,094		\$784,094
94500 Employee Benefit Contributions - Ordinary Maintenance	\$201,705		\$201,705
94000 Total Maintenance	\$2,058,209	\$0	\$2,058,209
95100 Protective Services - Labor	\$1,538		\$1,538
95200 Protective Services - Other Contract Costs	\$2,462		\$2,462
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$4,000	\$0	\$4,000
96110 Property Insurance	\$176,545		\$176,545
96120 Liability Insurance			
96130 Workmen's Compensation	\$44,460		\$44,460
96140 All Other Insurance			
96100 Total insurance Premiums	\$221,005	\$0	\$221,005
96200 Other General Expenses	\$97,927		\$97,927
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	\$239,211		\$239,211
96400 Bad debt - Tenant Rents	\$68,161		\$68,161
96500 Bad debt - Mortgages			
96600 Bad debt - Other	-\$21,646		-\$21,646

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
96800 Severance Expense			
96000 Total Other General Expenses	\$383,653	\$0	\$383,653
96710 Interest of Mortgage (or Bonds) Payable	\$140,494		\$140,494
96720 Interest on Notes Payable (Short and Long Term)	\$5,794		\$5,794
96730 Amortization of Bond Issue Costs	\$5,081		\$5,081
96700 Total Interest Expense and Amortization Cost	\$151,369	\$0	\$151,369
96900 Total Operating Expenses	\$8,536,991	-\$1,403,500	\$7,133,491
97000 Excess of Operating Revenue over Operating Expenses	\$13,545,073	\$15	\$13,545,088
97100 Extraordinary Maintenance	\$232,011		\$232,011
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$8,770,494		\$8,770,494
97350 HAP Portability-In	\$0		\$0
97400 Depreciation Expense	\$1,660,898		\$1,660,898
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$19,200,394	-\$1,403,500	\$17,796,894
10010 Operating Transfer In	\$263,353		\$263,353
10020 Operating transfer Out	-\$263,353		-\$263,353
10030 Operating Transfers from/to Primary Government			

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
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)	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$500,000		\$500,000
10092 Inter Project Excess Cash Transfer Out	-\$500,000		-\$500,000
10093 Transfers between Program and Project - In	\$1,115,832		\$1,115,832
10094 Transfers between Project and Program - Out	-\$1,115,832		-\$1,115,832
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$2,881,670	\$15	\$2,881,685
11020 Required Annual Debt Principal Payments	\$27,056		\$27,056
11030 Beginning Equity	\$24,991,497		\$24,991,497
11040 Prior Period Adjustments, Equity Transfers and Correction of	-\$7		-\$7
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	\$371,952		\$371,952
11180 Housing Assistance Payments Equity	\$752,480		\$752,480
11190 Unit Months Available	33778		33778
11210 Number of Unit Months Leased	31078		31078

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2010

	Subtotal	ELIM	Total
11270 Excess Cash	\$3,076,598		\$3,076,598
11610 Land Purchases	\$800		\$800
11620 Building Purchases	\$3,500,119		\$3,500,119
11630 Furniture & Equipment - Dwelling Purchases	\$54,176		\$54,176
11640 Furniture & Equipment - Administrative Purchases	\$26,745		\$26,745
11650 Leasehold Improvements Purchases	\$0		\$0
11660 Infrastructure Purchases	\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0