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May 29, 2014

Board of Directors  
Logansport Housing Authority  
719 Spencer Street, Suite 100  
Logansport, IN 46947

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period January 1, 2011 to December 31, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Logansport Housing Authority, as of December 31, 2011 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

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

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**TWELVE MONTHS ENDED DECEMBER 31, 2011**

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

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Independent Auditor's Report

Board of Commissioners  
Logansport Housing Authority  
Logansport, Indiana

I have audited the accompanying financial statements of the Logansport Housing Authority, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Logansport Housing Authority's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Logansport Housing Authority, as of December 31, 2011 and the respective changes in financial position and cash flows for the year end in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 21, 2012 on my consideration of the Logansport Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements with other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

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

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



Certified Public Accountant

Decatur, Illinois  
August 21, 2012

**LOGANSPOUR HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING DECEMBER 31, 2011**

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**Management's Discussion and Analysis**

As management of Logansport Housing Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Logansport Housing Authority, 719 Spencer Street, Suite 100, Logansport, Indiana 46947, (574) 753-4666.

**Overview of the Financial Statements**

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

- Statement of Net Assets – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses, and Changes in Net Assets reports the Authority's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows – reports the Authority's cash flows from operating, investing, capital and non-capital activities.

**Future Events (New Business)**

There are no future events planned by the Authority during the fiscal year ending December 31, 2012 that will significantly affect the Authority's Net Assets either positively or negatively.

**LOGANSPOUR HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING DECEMBER 31, 2011**

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**Condensed Comparative Financial Statements**

*Analysis of Entity Wide Net Assets*

**Total Assets** for FYE 2010 was \$558,384 and at FYE 2011 the amount was \$440,589. This represents a net decrease of \$117,795.

**Cash** decreased by \$114,341. Cash decreased overall because of the increase in expenses and decrease in revenues.

**Other Current Assets** decreased by \$1,400. The cause of this comes from a large amount of write off of fraud recovery.

**Capital Assets** decreased by \$2,054. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

**Current Liabilities** decreased by \$557.

**Noncurrent Liabilities** increased by \$15,092. The reason for the increase was an increase of FSS participants investment accounts.

The table below illustrates our analysis:

	<u>2011</u>	<u>2010</u>	<u>Variances</u>	<u>Percentage Change</u>
Cash	423,047	537,388	(114,341)	-21%
Other Current Assets	9,766	11,166	(1,400)	-13%
Capital Assets	7,776	9,830	(2,054)	-21%
<b>Total Assets</b>	<b>440,589</b>	<b>558,384</b>	<b>(117,795)</b>	<b>-21%</b>
Current Liabilities	6,150	6,707	(557)	-8%
Noncurrent Liabilities	76,483	61,391	15,092	25%
<b>Total Liabilities</b>	<b>82,633</b>	<b>68,098</b>	<b>14,535</b>	<b>21%</b>
Net Invested in Capital Assets	7,776	9,830	(2,054)	-21%
Restricted Net Assets	246,657	357,822	(111,165)	-31%
Unrestricted Net Assets	103,523	122,634	(19,111)	-16%
<b>Total Net Assets</b>	<b>357,956</b>	<b>490,286</b>	<b>(132,330)</b>	<b>-27%</b>

**LOGANSPORT HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING DECEMBER 31, 2011**

*Analysis of Entity Wide Revenues*

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2011 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Housing Choice Vouchers	\$1,111,488

Total revenues for Fiscal Year Ending December 31, 2010 were \$1,231,322 as compared to the total revenues for Fiscal Year Ending December 31, 2011 of \$1,111,488. Comparatively, Fiscal Year Ending 2010 revenues exceeded Fiscal Year Ending 2011 revenues by \$119,834.

	<u>2011</u>	<u>2010</u>	<u>Variance</u>	<u>Percentage Change</u>
HUD Operating Grants	1,087,759	1,224,792	(137,033)	-11%
Investment Income	1,364	1,520	(156)	-10%
Fraud Recovery	17,541	2,490	15,051	100%
Other Revenue	4,824	2,520	2,304	91%
<b>Total Revenue</b>	<b><u>1,111,488</u></b>	<b><u>1,231,322</u></b>	<b><u>(119,834)</u></b>	<b><u>-10%</u></b>

*Analysis of Entity Wide Expenditures*

**Total Expenditures** for Fiscal Year Ending December 31, 2010 were \$1,116,891 as compared to \$1,243,818 of total expenditures for Fiscal Year Ending December 31, 2011. Comparatively, Fiscal Year Ending 2011 expenditures exceeded Fiscal Year Ending 2010 expenditures by \$126,927. Changes by major expense category will be presented below.

**Administrative** expenditures increased by \$6,849. **Tenant Services** decreased by \$30,597. **Maintenance** expenditures increased by \$199. **General Expense** increased by \$30,251. **Housing Assistance Payments** increased by \$117,800 or 12%.

The table below illustrates our analysis:

	<u>2011</u>	<u>2010</u>	<u>Variance</u>	<u>Percentage Change</u>
Administration	137,521	130,672	6,849	5%
Tenant Services	0	30,597	(30,597)	-100%
Maintenance	552	353	199	56%
General Expense	34,468	4,217	30,251	717%
Extraordinary Maintenance	139	343	(204)	-60%
Housing Assistance Payments	1,066,653	948,853	117,800	12%
HAP Portability-In	2,431	0	2,431	100%
Depreciation Expense	2,054	1,856	198	11%
<b>Total Expenses</b>	<b><u>1,243,818</u></b>	<b><u>1,116,891</u></b>	<b><u>126,927</u></b>	<b><u>11%</u></b>

**LOGANSPORT HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDING DECEMBER 31, 2011**

**Analysis of Capital Asset Activity**

**Furniture, Equipment & Machinery – Administration** remained the same.

**Accumulated Depreciation** increased by \$2,054. This is the amount of current year depreciation expense.

	2011	2010	Variance	Percentage Change
Furniture, Equipment, & Machinery - Administrative	26,363	26,363	0	0%
<b>Total Fixed Assets</b>	<b>26,363</b>	<b>26,363</b>	<b>0</b>	<b>0%</b>
Accumulated Depreciation	18,587	16,533	2,054	12%
<b>Net Fixed Assets</b>	<b>7,776</b>	<b>9,830</b>	<b>-2,054</b>	<b>-21%</b>

**Outstanding Debt**

The Housing Authority had no outstanding debt in fiscal year 2011 or 2010.

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
AS OF DECEMBER 31, 2011**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 99,907
Accounts receivable (interfund eliminated)	3,595
Deferred charges	<u>6,171</u>
Total Current Assets	<u>\$ 109,673</u>

**RESTRICTED ASSETS**

Cash	<u>\$ 323,140</u>
Total Restricted Assets	<u>\$ 323,140</u>

**CAPITAL ASSETS**

Land, buildings and equipment	\$ 26,363
Less: Accumulated depreciation	<u>-18,587</u>
Total Capital Assets	<u>\$ 7,776</u>

Total Assets	<u>\$ 440,589</u>
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable (interfund eliminated)	\$ 1,283
Accrued liabilities	<u>4,867</u>
Total Current Liabilities	<u>\$ 6,150</u>

**NONCURRENT LIABILITIES**

Trust and deposit liabilities	<u>\$ 76,483</u>
Total Noncurrent Liabilities	<u>\$ 76,483</u>

**NET ASSETS**

Invested in capital assets	\$ 7,776
Restricted	246,657
Unrestricted	<u>103,523</u>
Total Net Assets	<u>\$ 357,956</u>

**LOGANSPOUR HOUSING AUTHORITY  
LOGANSPOUR, INDIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -  
PROPRIETARY FUNDS  
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Operating Income

HUD grants - operating	\$ 1,087,759
Fraud recovery	17,541
Other revenue	<u>4,824</u>
 Total Operating Income	 \$ <u>1,110,124</u>

Operating Expenses

Administration	\$ 137,521
Ordinary maintenance and operation	552
General expense	34,468
Extraordinary maintenance	139
Housing assistance payments	1,069,084
Depreciation	<u>2,054</u>
 Total Operating Expenses	 \$ <u>1,243,818</u>

Net Operating Income (Loss) \$ -133,694

Nonoperating Income (Expense)

Interest income	\$ <u>1,364</u>
 Total Nonoperating Income (Expense)	 \$ <u>1,364</u>
 Changes in net assets	 \$ -132,330
Net assets, beginning of year	<u>490,286</u>
 Net assets, end of year	 <u><u>\$ 357,956</u></u>

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Operating Activities

Operating grants	\$ 1,088,909
Other revenue	22,365
Housing assistance payments	-1,069,084
Payments to employees	-102,057
Payments to suppliers and contractors	<u>-55,838</u>

Net Cash Provided (Used) by Operating Activities \$ -115,705

Investing Activities

Interest income	<u>\$ 1,364</u>
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Net Cash Provided (Used) by Investing Activities \$ 1,364

Net Change in Cash \$ -114,341

Cash Balance at December 31, 2010 537,388

Cash Balance at December 31, 2011 \$ 423,047

**LOGANSPOUR HOUSING AUTHORITY  
LOGANSPOUR, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED DECEMBER 31, 2011**

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

Net operating income (loss)	\$ -133,694
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	2,054
(Increase) decrease in accounts receivable	1,150
(Increase) decrease in deferred charges	250
Increase (decrease) in accounts payable	1
Increase (decrease) in accrued liabilities	-558
Increase (decrease) in trust and deposit liabilities	<u>15,092</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -115,705</u>

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

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

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

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

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

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

(b) Method of Accounting -

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

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

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(c) Financial Statement Presentation

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

(d) Funds -

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

- \* Housing Choice Vouchers

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

*Proprietary Fund Types:*

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

(e) Cash and Cash Equivalents -

For purposes of the statement of cash flows, although not a formal policy, the Housing Authority considers all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of one (1) month or less when purchased to be cash equivalents.

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(f) Fixed Assets -

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

If the initial cost of a piece of equipment and/or other personal property is two hundred fifty dollars (\$250) or more and the anticipated life or useful life of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

(g) Net Assets -

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

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

(h) Income Tax -

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

(I) Annual Contributions/Subsidies and Other Grants

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

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

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

- (j) The Housing Authority adopts a budget annually. The budgets is submitted to the Board of Commissioners for approval. Subsequent budget revisions may also be required to be submitted for approval.
- (k) The preparation of financial statements in conformity with generally accepted accounting principles require the Housing Authority to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Cash and Investments

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

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

*Custodial Credit Risk*

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

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

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

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

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

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011  
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

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

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

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

Category 3 - Deposits which are not collateralized or insured.

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

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Voucher	\$ 423,047	\$ 423,482

Note 3 - Compensated Absences

Vacation Leave

All regular full-time employees shall receive a vacation according to the following schedule:

1 year	1 week
2-5 years	2 weeks
6 years	2 weeks and 1 day
7 years	2 weeks and 2 days
8 years	2 weeks and 3 days
9 years	2 weeks and 4 days
10 years	3 weeks

Sick Leave

All regular full-time employees shall be allowed ten (10) working days each year to be accumulated at the rate of 3.08 hours every two weeks. Total accumulation of time for sick leave cannot exceed 240 hours.

No cash payments to employees shall be made in lieu of unused vacation or sick leave, except when an employee is permanently separated from employment cash payment of unused vacation leave, but not unused sick leave, may be made.

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011  
(CONTINUED)**

Note 4 - Defined Contribution Plan

The Housing Authority allows employees to make contributions to a 457 deferred compensation plan with Hoosier S.T.A.R.T. Participation is voluntary and the Housing Authority does not contribute or match employees contributions.

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

Fraud recovery	\$ 27,389
Allowance for doubtful accounts - fraud	-27,389
Accounts receivable - HUD	<u>3,595</u>
Total	<u>\$ 3,595</u>

Note 6 - Deferred Charges

This classification includes the following:

Prepaid insurance	\$ 4,264
Other	<u>1,907</u>
Total	<u>\$ 6,171</u>

Note 7 - Fixed Assets

Balance as of December 31, 2011	\$ 7,776
Balance as of December 31, 2010	<u>9,830</u>
Net Increase (Decrease)	<u>\$ -2,054</u>

Reconciliation

Current year depreciation expense	<u>\$ -2,054</u>
Net Increase (Decrease)	<u>\$ -2,054</u> *

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011  
(CONTINUED)**

Note 7 - Fixed Assets (Continued)

<u>Analysis</u>	01/01/2011 <u>Balance</u>	Additions/ <u>Transfers</u>	Deletions/ <u>Transfers</u>	12/31/2011 <u>Balance</u>
Equipment and furniture	\$ 26,363	\$ 0	\$ 0	\$ 26,363
Total	\$ 26,363	\$ 0	\$ 0	\$ 26,363
Accumulated depreciation	<u>-16,533</u>	<u>-2,054</u> *	<u>0</u>	<u>-18,587</u>
Net Assets	<u>\$ 9,830</u>	<u>\$ -2,054</u>	<u>\$ 0</u>	<u>\$ 7,776</u>

\*Current year depreciation expense recognized.

Note 8 - Accounts Payable

This classification includes the following accounts:

Vendors payable \$ 1,283

Note 9 - Accrued Liabilities

Accrued liabilities consists of the following:

Current Portion:

Accrued wages and payroll taxes \$ 4,867

Note 10 - Trust and Deposit Liabilities

This classification consists of the following:

FSS escrow accounts \$ 76,483

Note 11 - Administrative Fee

The PHA receives an "Administrative Fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the HAP Program. The fee is calculated by HUD on an annual basis.

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2011  
(CONTINUED)**

Note 12 - Contingencies

Federal Grants

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

Note 13 - Risk Management

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

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

Note 14 - Economic Dependency

The Housing Authority received most of its revenue (98%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

## **SUPPLEMENTAL DATA**

**LOGANSPOORT HOUSING AUTHORITY  
LOGANSPOORT, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Grant Period</u>	<u>Program Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of HUD</u>						
Direct Programs:						
Housing Choice Voucher Program*	14.871	IN092	FYE 12/31/11	<u>\$ 1,087,759</u>	<u>\$ 1,087,759</u>	<u>\$ 1,087,759</u>
Total Housing Assistance				<u>\$ 1,087,759</u>	<u>\$ 1,087,759</u>	<u>\$ 1,087,759</u>

\*Denotes major program.

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

Board of Commissioners  
Logansport Housing Authority  
Logansport, Indiana

I have audited the financial statements of Logansport Housing Authority as of and for the year ended December 31, 2011, and have issued my report thereon dated August 21, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

*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 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.

My 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 deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies in internal control over financial reporting (2011-1). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Logansport Housing Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items (2011-1).

I noted certain matters that I reported to management of Logansport Housing Authority in a separate letter dated August 21, 2012.

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

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



Certified Public Accountant

Decatur, Illinois  
August 21, 2012



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

Board of Commissioners  
Logansport Housing Authority  
Logansport, Indiana

**Compliance**

I have audited Logansport Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Logansport Housing Authority's major federal programs for the year ended December 31, 2011. Logansport Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Logansport Housing Authority's management. My responsibility is to express an opinion on Logansport Housing Authority's compliance based on my audit.

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

In my opinion, Logansport Housing 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, 2011. However, the results of my 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 ( 2011-2).

## Internal Control Over Compliance

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

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be *material weaknesses*, as defined above. However, I identified certain deficiencies in internal control over compliance that I consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items (2011-2). 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.

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

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



Certified Public Accountant

Decatur, Illinois  
August 21, 2012

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended December 31, 2010 contained one federal award finding.

**Finding 2010-1: Incomplete Section 8 Participant Files**

HUD regulations require that all participant files contain adequate documentation to support a participant's eligibility and the accurate calculation of Housing Assistance Payments (HAP). During a test of participant eligibility (30 files examined) incomplete documentation and incorrect calculations of HAP were noted.

While some problems previously noted were corrected during the current year, others still persist. This finding continues (see Finding 2011-2).

**LOGANSPOUR HOUSING AUTHORITY  
LOGANSPOUR, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report: Unqualified

\* Material weakness(es) identified? \_\_\_\_\_ yes X no

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes X no

*Federal Awards*

Internal control over major programs:

\* Material weakness(es) identified? \_\_\_\_\_ yes X no

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher Program

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes X no

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

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

**Section II - Financial Statement Audit Findings**

There was one financial statement audit finding discussed with Sharon Roach, Executive Director, during the course of the audit or at an exit conference held August 21, 2012.

**Finding 2011-1 Improper Tax Withholding**

*Condition and Criteria:* The Housing Authority, an employer, is required to withhold social security and medicare taxes on all employees that do not participate in a qualified state or local government public retirement system (FICA replacement plan). The Housing Authority did not withhold all of the required taxes from employees.

*Effect:* The Housing Authority has not properly withheld and remitted all required taxes from employees, therefore the employees did not earn social security benefits for the year and the Housing Authority did not recognize all required employer related expenses.

*Cause:* The Housing Authority Board previously approved that the agency no longer participate in their former 'qualified' plan. They also approved offering employees an opportunity to participate in an IRS qualified 457 retirement plan. Employees were given the option to voluntarily participate, however, the Housing Authority did not match or provide any contributions to the plan. Management and the Board did not fully understand the difference between a qualified public regiment system (FICA replacement) plan and an IRS qualified retirement plan.

*Auditor's Recommendation:* The Housing Authority should calculate and remit all past due taxes. They must also begin withholding and remitting all required taxes from all employees not participating in a qualified FICA replacement plan.

*Grantee Response:* The Housing Authority has consulted with a local accountant regarding the situation. The Executive Director will begin withholding and remitting the proper taxes immediately. Past taxes will be calculated and remitted as soon as is practical.

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

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

**Section III - Federal Award Audit Findings**

There was one federal award audit findings discussed with Sharon Roach, Executive Director, during the course of the audit and at an exit conference held August 21, 2012.

**Finding 2011-2: Incomplete Section 8 Participant Files**

*Condition and Criteria:* HUD regulations require that all participant files contain adequate documentation to support a participant's eligibility and the accurate calculation of Housing Assistance Payments (HAP). During my current year test of participant eligibility (40 files examined) I noted incomplete documentation and incorrect calculations of HAP as follows: (a) anticipated medical expenses (such as spend down allowances) were not properly verified or calculated (b) not all files contained rent reasonable/comparabilities when rent increases were requested by landlords (c) wages reported in EIV were used to anticipate earnings (d) a live-in aide was allowed to assume the voucher of a deceased participant without entering the wait list (e) spouses were listed on the 50058 as other adults.

*Effect:* It cannot be determined if the Section 8 participants were eligible and their HAP assistance was calculated in accordance with HUD regulations.

*Cause:* The applications used by the agency were not detailed enough to provide adequate information when processing applications, certifications and recertifications. Proper quality control procedures had not been implemented to assure that only eligible participants were provided Housing Assistance. The procedures in place did not provide adequate assurance that correct data was collected and used in accurate assistance payment calculations for each eligible participant.

*Auditor's Recommendation:* The application filled out by all participants should be reviewed and expanded to provide all information needed to process the application and certification. I recommend that quality control procedures be reviewed and revised to ensure that all required documentation is maintained in each file to support eligibility and exemptions. Procedures should be developed to ensure that all intake staff are familiar with the policies established in the Housing Authority's Section 8 Administrative Plan and that they are trained in the proper procedures for consistently applying those policies and HUD regulations.

*Grantee Response:* The application had been updated, but the new form had not yet been used all of the year. It will be reviewed again for adequacy and to determine it provides complete information. The Admin Plan will be reviewed and updated by the Executive Director and intake staff there has been a change in staff mid year. Additional quality assurance reviews will be conducted by the Executive Director to determine that the policies are being adhered to in the future.

**LOGANSPORT HOUSING AUTHORITY  
LOGANSPORT, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES  
DECEMBER 31, 2011**

<u>Voucher</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Accounts receivable - HUD	1125	\$ 3,595.00		1125
Revenue - HUD admin fee	3410.01		\$ 3,595.00	2810.002
(To record current year 2011 ongoing admin fees received in May 2012)				
(2)				
Accounts receivable - other	1129		\$ 1,618.98	1129
Fraud recovery - admin	3450	\$ 809.49		2810.002
Fraud recovery - HAP	3450.10	809.49		2810.001
(To remove adjustment of FSS overpayments recorded as accounts receivable other and fraud recovery)				
(3)				
Prepaid insurance	1211	\$ 876.17		1211
Other insurance expense	4510	147.83		2810.002
Travel	4150		\$ 1,024.00	2810.002
(To reclassify checks #5427 and 5428 charged to travel that are checks for insurance)				
(4)				
Unrestricted net assets	2810.002	\$ 1,282.39		2810.002
Vendor payable	2111		\$ 1,282.39	2111
(To post prior year audit entry not posted)				
(5)				
Vendor payable	2111	\$ 1,282.39		2111
Staff training	4140		\$ 441.47	2810.002
Office supplies	4190.016		516.62	2810.002
Postage	4190.017		308.00	2810.002
Telephone	4191		16.30	2810.002
(To post prior year adjustment entry that was not posted)				

Housing Authority of the City of Logansport (IN092)

Logansport, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$99,907	\$99,907	\$99,907
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	\$323,140	\$323,140	\$323,140
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$423,047	\$423,047	\$423,047
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$3,595	\$3,595	\$3,595
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts - Tenants			
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery	\$27,389	\$27,389	\$27,389
128.1 Allowance for Doubtful Accounts - Fraud	-\$27,389	-\$27,389	-\$27,389
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,595	\$3,595	\$3,595
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$6,171	\$6,171	\$6,171
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$432,813	\$432,813	\$432,813
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$26,363	\$26,363	\$26,363
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$18,587	-\$18,587	-\$18,587
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,776	\$7,776	\$7,776
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$7,776	\$7,776	\$7,776
190 Total Assets	\$440,589	\$440,589	\$440,589

Housing Authority of the City of Logansport (IN092)

Logansport, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	14.871 Housing Choice Vouchers	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$1,283	\$1,283	\$1,283
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$4,867	\$4,867	\$4,867
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits			
342 Deferred Revenues			
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$6,150	\$6,150	\$6,150
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	\$76,483	\$76,483	\$76,483
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	\$76,483	\$76,483	\$76,483
300 Total Liabilities	\$82,633	\$82,633	\$82,633
508.1 Invested In Capital Assets, Net of Related Debt	\$7,776	\$7,776	\$7,776
509.2 Fund Balance Reserved			
511.2 Unreserved, Designated Fund Balance			
511.1 Restricted Net Assets	\$246,657	\$246,657	\$246,657
512.1 Unrestricted Net Assets	\$103,523	\$103,523	\$103,523
512.2 Unreserved, Undesignated Fund Balance			
513 Total Equity/Net Assets	\$357,956	\$357,956	\$357,956
600 Total Liabilities and Equity/Net Assets	\$440,589	\$440,589	\$440,589

Housing Authority of the City of Logansport (IN092)

Logansport, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	14,871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,087,759	\$1,087,759	\$1,087,759
70610 Capital Grants			
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			
71100 Investment Income - Unrestricted	\$200	\$200	\$200
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$17,541	\$17,541	\$17,541
71500 Other Revenue	\$4,824	\$4,824	\$4,824
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted	\$1,164	\$1,164	\$1,164
70000 Total Revenue	\$1,111,488	\$1,111,488	\$1,111,488
91100 Administrative Salaries	\$92,322	\$92,322	\$92,322
91200 Auditing Fees	\$2,940	\$2,940	\$2,940
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$497	\$497	\$497
91500 Employee Benefit contributions - Administrative	\$7,069	\$7,069	\$7,069
91600 Office Expenses	\$22,271	\$22,271	\$22,271
91700 Legal Expense			
91800 Travel	\$349	\$349	\$349
91810 Allocated Overhead			
91900 Other	\$12,073	\$12,073	\$12,073
91000 Total Operating - Administrative	\$137,521	\$137,521	\$137,521
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

Housing Authority of the City of Logansport (IN092)

Logansport, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	14,871 Housing Choice Vouchers	Subtotal	Total
93100 Water			
93200 Electricity			
93300 Gas			
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and Other			
94300 Ordinary Maintenance and Operations Contracts	\$552	\$552	\$552
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$552	\$552	\$552
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
96110 Property Insurance	\$275	\$275	\$275
96120 Liability Insurance			
96130 Workmen's Compensation	\$2,754	\$2,754	\$2,754
96140 All Other Insurance	\$990	\$990	\$990
96100 Total insurance Premiums	\$4,019	\$4,019	\$4,019
96200 Other General Expenses	\$1,029	\$1,029	\$1,029
96210 Compensated Absences	\$9,735	\$9,735	\$9,735
96300 Payments in Lieu of Taxes	\$57	\$57	\$57
96400 Bad debt - Tenant Rents	\$19,628	\$19,628	\$19,628
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$30,449	\$30,449	\$30,449
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$172,541	\$172,541	\$172,541
97000 Excess of Operating Revenue over Operating Expenses	\$938,947	\$938,947	\$938,947

Housing Authority of the City of Logansport (IN092)  
Logansport, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	14,871 Housing Choice Vouchers	Subtotal	Total
97100 Extraordinary Maintenance	\$139	\$139	\$139
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$1,066,653	\$1,066,653	\$1,066,653
97350 HAP Portability-In	\$2,431	\$2,431	\$2,431
97400 Depreciation Expense	\$2,054	\$2,054	\$2,054
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$1,243,818	\$1,243,818	\$1,243,818
10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$132,330	-\$132,330	-\$132,330
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$490,286	\$490,286	\$490,286
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity	\$111,298	\$111,298	\$111,298
11180 Housing Assistance Payments Equity	\$246,658	\$246,658	\$246,658
11190 Unit Months Available	3396	3396	3396
11210 Number of Unit Months Leased	3128	3128	3128
11270 Excess Cash			
11610 Land Purchases			
11620 Building Purchases			
11630 Furniture & Equipment - Dwelling Purchases			
11640 Furniture & Equipment - Administrative Purchases			
11650 Leasehold Improvements Purchases			
11660 Infrastructure Purchases			
13510 CFFP Debt Service Payments			
13901 Replacement Housing Factor Funds			

Board of Commissioners  
Logansport Housing Authority  
Logansport, Indiana

In planning and performing my audit of the financial statements of Logansport Housing Authority as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United State of America, I considered the Housing Authorities internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Logansport Housing Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of Logansport Housing Authority's internal control.

The administration of the Housing Authority is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by the administration are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use of disposition and that transactions are executed in accordance with authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. However, my study and evaluation disclosed certain conditions in the following areas of which you should be aware in order to improve operating efficiencies and strengthen internal controls:

1. During my review it was noted that the PHA had paid for an Annual Position Bond and General Liability insurance, but classified these amounts as travel instead of prepaid insurance. These payments were subsequently reclassified to the proper accounts.
2. While reviewing the employees absence liability and related expense, I noted that the employees were allowed to record their own time off trackers and turn them in at year end. I was unable ro determine if employees were properly recording their earned and used time off properly. Sound internal controls would require someone other than the employees to track and approve time off records.

3. While reviewing a sample of FSS files, I determined that not all recertifications were being printed and placed in the participants file at completion. The records were maintained within the computer software, but a ready audit trail was not available.

This communication is intended solely for the information and used of management, the Board of Commissioners, and others within the housing authority, and is not intended to be and should not be used by anyone other than these specified parties. Please feel free to contact me if you have any questions.

Handwritten signature of Pamela J. Simpson in black ink.

Certified Public Accountant

Decatur, Illinois  
August 21, 2012