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June 6, 2014

Board of Directors
Housing Authority of the City of Charlestown
200 Jennings Street
Charlestown, IN 47111

We have reviewed the audit report prepared by McCauley, Nicolas & Company, LLC, Independent Public Accountants, for the period October 1, 2011 to September 30, 2012. 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 Charlestown, as of September 30, 2012 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 CHARLESTOWN
Charlestown, Indiana**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

for the year ended September 30, 2012

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Independent Auditors' Report

Board of Commissioners
The Housing Authority of
the City of Charlestown
Charlestown, Indiana 47111

We have audited the accompanying financial statements of the Housing Authority of the City of Charlestown as of and for the year ended September 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of Charlestown's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Charlestown as of September 30, 2012, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2013 on our consideration of the Housing Authority of the City of Charlestown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to 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 our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Charlestown as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Additionally, the accompanying Financial Data Schedule is presented for purposes of additional analysis and is also not a required part of the financial statements. The Schedule of Expenditures of Federal Awards and the Financial Data Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McCauley, Nicolas & Company, LLC
McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
June 13, 2013

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended September 30, 2012

As management of the Housing Authority of the City of Charlestown (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2012.

FINANCIAL HIGHLIGHTS

- Net assets of the Authority decreased \$1,558 as of September 30, 2012 from the prior year.
- Operating revenue of the Authority decreased by \$379,718 from prior year results.
- The Authority's cash and cash equivalent balance at September 30, 2012 was \$1,199,899, representing a decrease of \$21,809 from September 30, 2011.
- The Authority purchased capital assets totaling \$381,402 during the fiscal year ended September 30, 2012.

OVERVIEW OF THE AUTHORITY

The Housing Authority of the City of Charlestown, a nonprofit organization, is organized under the laws of the state of Indiana for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owns and operates 250 public housing units and administers 70 Section 8 Housing Choice Voucher units under an Annual Contributions Contract 2050-V in Charlestown, Indiana.

A seven-member Board of Commissioners governs the Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's financial statements consist of two parts – management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include the Authority-wide financial statements and notes to the financial statements.

- The Authority-wide financial statements provide information about the Authority's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the Statement of Net Assets, the Statement of Revenue, Expenses and Changes in Net Assets and the Statement of Cash Flows (all of which are Proprietary Funds).
- The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of these statements.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS-Continued
Year ended September 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS-Continued

The primary focus of the Authority's financial statements is on the financial statements of a single business-type activity that combines all programs administered by the Authority. The Statement of Net Assets – Proprietary Fund includes all of the Authority's assets and liabilities. All of the current year's revenue and expenses are accounted for in the Statement of Revenue, Expenses and Changes in Net Assets – Proprietary Fund regardless of when cash is received or paid.

- The Authority-wide financial statements report the Authority's net assets and how they changed. Net assets – the difference between the Authority's assets and liabilities – are one way to measure the Authority's financial position.

AN OVERVIEW OF THE AUTHORITY-WIDE FINANCIAL POSITION AND OPERATIONS

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

The Housing Authority of the City of Charlestown
Statement of Net Assets - Proprietary Fund

	2012	2011	Increase/Decrease	
			Amount	Percentage
Current assets	\$ 2,729,783	\$ 2,654,844	\$ 74,939	2.8%
Capital assets, net	5,480,604	5,460,888	19,716	0.4%
Total Assets	\$ 8,210,387	\$ 8,115,732	\$ 94,655	1.2%
Current liabilities	\$ 308,706	\$ 223,317	\$ 85,389	38.2%
Noncurrent liabilities	57,036	46,212	10,824	23.4%
Total Liabilities	\$ 365,742	\$ 269,529	\$ 96,213	35.7%
Net Assets				
Invested in capital assets	\$ 5,480,604	\$ 5,460,888	\$ 19,716	0.4%
Unrestricted net assets	2,338,624	2,318,082	20,542	0.9%
Restricted net assets	25,417	67,233	(41,816)	-62.2%
Total Net Assets	\$ 7,844,645	\$ 7,846,203	\$ (1,558)	0.0%

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS—Continued
Year ended September 30, 2012

AN OVERVIEW OF THE AUTHORITY-WIDE FINANCIAL POSITION AND OPERATIONS—Continued

The Authority's total assets at September 30, 2012 were \$8,210,387, an increase of approximately \$95,000, or 1.2%, from September 30, 2011. The change in total assets consisted primarily of an increase of approximately \$98,000 in Accounts receivable - HUD.

Cash and Certificates of Deposit

Total cash and certificates of deposit decreased by approximately \$18,000 or -0.7% as of September 30, 2012 compared to September 30, 2011.

Accounts Receivable

Total accounts receivable due from tenants and from HUD increased by approximately \$95,000 as of September 30, 2012 compared to September 30, 2011. This increase primarily resulted from amounts due from HUD (capital fund) of approximately \$98,000 as of September 30, 2012 compared to no amounts due from HUD as of September 30, 2011.

Capital Assets

The Authority purchased approximately \$381,000 of capital assets, which consisted primarily of capital improvements to the Authority's public housing units.

Accounts Payable

Accounts payable increased approximately \$98,000 from prior year. At September 30, 2012, the Authority had payables to several vendors related to capital projects.

Long-term Debt

The Authority does not have any long-term debt at this time.

Net Assets

The Authority's financial position remained consistent, as net assets decreased by approximately \$2,000 during 2012.

The results of operations for the Authority are presented on the following page:

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS—Continued
Year ended September 30, 2012

AN OVERVIEW OF THE AUTHORITY-WIDE FINANCIAL POSITION AND OPERATIONS—Continued

The Housing Authority of the City of Charlestown

Statement of Revenue, Expenses and Changes in Net Assets - Proprietary Fund

	2012	2011	Increase/Decrease	
			Amount	Percentage
OPERATING REVENUE				
Tenant rental revenue	\$ 850,467	\$ 823,635	\$ 26,832	3.3%
HUD PHA grants	487,799	897,214	(409,415)	-45.6%
Other revenue	25,843	22,978	2,865	12.5%
TOTAL OPERATING REVENUE	<u>1,364,109</u>	<u>1,743,827</u>	<u>(379,718)</u>	-21.8%
OPERATING EXPENSES				
Administration	378,697	337,566	41,131	12.2%
Tenant service	9,078	8,984	94	1.0%
Utilities	194,166	206,491	(12,325)	-6.0%
Ordinary maintenance and operations	379,770	381,227	(1,457)	-0.4%
Protective services	26,000	39,000	(13,000)	-33.3%
Insurance premiums	70,037	63,277	6,760	10.7%
Other general expenses	74,678	71,506	3,172	4.4%
Housing assistance payments	250,965	233,099	17,866	7.7%
Depreciation	361,686	403,924	(42,238)	-10.5%
TOTAL OPERATING EXPENSES	<u>1,745,077</u>	<u>1,745,074</u>	<u>3</u>	0.0%
Net operating loss	<u>(380,968)</u>	<u>(1,247)</u>	<u>(379,721)</u>	-30450.8%
NONOPERATING REVENUE				
Casualty gain - non-capitalized	-	2,059	(2,059)	-100.0%
Interest and investment revenue	12,607	15,308	(2,701)	-17.6%
TOTAL NONOPERATING REVENUE	<u>12,607</u>	<u>17,367</u>	<u>(4,760)</u>	-27.4%
Net income (loss) before capital grant	(368,361)	16,120	(384,481)	-2385.1%
Capital fund grant	366,803	359,355	7,448	2.1%
CHANGE IN NET ASSETS	<u>\$ (1,558)</u>	<u>\$ 375,475</u>	<u>\$ (377,033)</u>	-100.4%

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS—Continued
Year ended September 30, 2012

RESULTS OF OPERATIONS

The change in net assets for the year ended September 30, 2012 was \$(1,558) compared to \$375,475 for the year ended September 30, 2011. Revenues of the Authority's activities are generated principally from HUD operating subsidies and tenant rental receipts. In 2012, the Authority's revenues from its activities totaled \$1,743,519. Of this total, \$854,602, or 49.0%, was from HUD funding. Operating expense of the Authority's activities consist primarily of maintenance and operations, depreciation, administration and housing assistance payments. The total expenses are \$1,745,077, of which \$250,965, or 14.4%, were housing assistance payments.

HUD PHA Grants revenue decreased by \$401,967 from 2011. This decrease primarily resulted from the effects of two HUD initiatives for 2012. Through one initiative HUD reduced or eliminated Public Housing operating subsidy funding to housing authorities determined to have excess operating reserves. Due primarily to the Authority's level of cash and certificates of deposit and the level of unrestricted net assets in its Low Rent Public Housing Program, HUD did not provide the Authority with Public Housing operating subsidy funding for the 2012 calendar year. In addition, HUD implemented new cash management procedures under the Housing Choice Voucher (HCV) program. These procedures reduced the level of funding provided to the Authority during 2012 causing the Authority to use a portion of its HCV net restricted asset account reserves. Program reserves under the HCV program will now be held by HUD rather than by the Authority.

The elimination of Public Housing operating subsidy funding to the Authority will only be for calendar year 2012, as HUD has awarded operating subsidy funding to the Authority again for calendar year 2013.

CAPITAL ASSETS

At September 30, 2012, the Authority has approximately \$5.5 million invested in a variety of capital assets reflected in the following schedule, which represents an increase of \$19,716 (net of depreciation) from the preceding year.

	<u>2012</u>	<u>2011</u>
Land	\$ 1,296,639	\$ 1,217,739
Buildings	10,233,936	9,960,610
Furniture, equipment and machinery - dwellings	485,910	477,090
Furniture, equipment and machinery - administration	29,265	24,601
Construction in progress	<u>200,805</u>	<u>185,113</u>
Total capital assets	12,246,555	11,865,153
Less accumulated depreciation	<u>(6,765,951)</u>	<u>(6,404,265)</u>
Capital assets, net	<u>\$ 5,480,604</u>	<u>\$ 5,460,888</u>

Additions consisted primarily of capital improvements to the Authority's public housing units and were supported largely through capital fund grants.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS—Continued
Year ended September 30, 2012

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report should be addressed to the following address:

The Housing Authority of the City of Charlestown
Attn: Executive Director
200 Jennings Street
Charlestown, IN 47111

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

STATEMENT OF NET ASSETS-PROPRIETARY FUND
September 30, 2012

<u>ASSETS</u>	
CURRENT ASSETS	
Cash - unrestricted	\$ 1,174,482
Cash - restricted	25,417
Certificates of deposit	1,386,517
Accounts receivable - HUD	97,960
Accounts receivable - tenants	4,687
Inventory - materials and supplies	3,461
Other assets	<u>37,259</u>
TOTAL CURRENT ASSETS	<u>2,729,783</u>
CAPITAL ASSETS	
Land	1,296,639
Buildings	10,233,936
Furniture, equipment and machinery - dwellings	485,910
Furniture, equipment and machinery - administration	29,265
Construction in progress	<u>200,805</u>
Total capital assets	12,246,555
Less accumulated depreciation	<u>(6,765,951)</u>
CAPITAL ASSETS, NET	<u>5,480,604</u>
TOTAL ASSETS	<u><u>\$ 8,210,387</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 115,053
Accounts payable - other government	66,270
Accrued compensated absences - current portion	85,554
Security deposits	36,175
Deferred revenues	<u>5,654</u>
TOTAL CURRENT LIABILITIES	308,706
NONCURRENT LIABILITIES	
Accrued compensated absences - noncurrent portion	<u>57,036</u>
TOTAL LIABILITIES	<u>365,742</u>
NET ASSETS	
Invested in capital assets	5,480,604
Unrestricted net assets	2,338,624
Restricted net assets	<u>25,417</u>
TOTAL NET ASSETS	<u>7,844,645</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 8,210,387</u></u>

See notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS-PROPRIETARY FUND
September 30, 2012

OPERATING REVENUE

Tenant revenue	\$ 850,467
HUD PHA operating grants	487,799
Other revenue	<u>25,843</u>

TOTAL OPERATING REVENUE 1,364,109

OPERATING EXPENSES

Administration	378,697
Tenant service	9,078
Utilities	194,166
Ordinary maintenance and operations	379,770
Protective services	26,000
Insurance premiums	70,037
Other general expenses	74,678
Housing assistance payments	250,965
Depreciation	<u>361,686</u>

TOTAL OPERATING EXPENSES 1,745,077

Net operating loss (380,968)

NONOPERATING REVENUE

Interest and investment revenue	<u>12,607</u>
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Net loss before capital grant (368,361)

Capital fund grant 366,803

CHANGE IN NET ASSETS (1,558)

NET ASSETS, BEGINNING OF YEAR 7,846,203

NET ASSETS, END OF YEAR \$ 7,844,645

See notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
for year ended September 30, 2012

OPERATING ACTIVITIES

Cash received from tenants	\$ 848,186
HUD PHA grants received	487,799
Other cash received	25,843
Payments for administrative expenses	(385,521)
Payments for tenant service expenses	(9,078)
Payments for utilities	(198,405)
Payments for ordinary maintenance expenses	(370,035)
Payments for protective services	(26,000)
Payments for insurance premiums	(66,911)
Payments for other general expenses	(70,888)
Housing assistance payments	<u>(250,965)</u>
Net cash used for operating activities	<u>(15,975)</u>

INVESTING ACTIVITIES

Interest earned	12,607
Purchase of certificates of deposit, net	<u>(3,842)</u>
Net cash provided by investing activities	<u>8,765</u>

CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grant receipts	366,803
Purchase of capital assets	<u>(381,402)</u>
Net cash used for capital and related financing activities	<u>(14,599)</u>

Net decrease in cash (21,809)

CASH

Beginning of year	<u>1,221,708</u>
End of year	<u>\$ 1,199,899</u> *

OPERATING ACTIVITIES

Net operating loss	\$ (380,968)
Adjustments to reconcile net operating loss to net cash used for operating activities:	
Depreciation expense	361,686
Collection losses	8,408
(Increase) decrease in:	
Accounts receivable - HUD	(97,960)
Accounts receivable - tenants	(5,933)
Inventory - materials and supplies	(547)
Other assets	3,126
Increase (decrease) in:	
Accounts payable	98,171
Accounts payable - other government	3,790
Accrued compensated absences	(992)
Security deposits	659
Deferred revenues	<u>(5,415)</u>
Net cash used for operating activities	<u>\$ (15,975)</u>

* Cash reconciliation as reported on the Statement of Net Assets-Proprietary Fund:

Cash - unrestricted	\$ 1,174,482
Cash - restricted	<u>25,417</u>
	<u>\$ 1,199,899</u>

See notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, 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 Charlestown (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 of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The Authority, a nonprofit organization, is organized under the laws of the State of Indiana for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owns and operates 250 public housing units and administers 70 Section 8 Housing Choice Voucher units under an Annual Contributions Contract 2050-V in Charlestown, Indiana.

Reporting Entity

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City of Charlestown (the City) and concluded that the City does not maintain an oversight responsibility for the Authority’s operations. 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. Consequently, in accordance with the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Housing Authority of the City of Charlestown is a separate reporting entity.

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 Governmental Accounting Standards Board (GASB) requirements, the Authority’s proprietary funds follow all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins, except those that conflict with or contradict a GASB pronouncement.

Basis of Accounting

The financial statements of the Authority have been prepared on the accrual basis of accounting.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, 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.

Cash Equivalents

The Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at September 30, 2012.

Allowance for Doubtful Accounts

The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. Management has determined that no allowance for doubtful accounts was required at September 30, 2012.

Inventories

Inventories, consisting of materials and supplies, are stated at the lower of cost or market, reported on a first-in, first-out basis.

Capital Assets

Capital Assets are stated 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.

Depreciation is provided on the basis of the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 10 - 39 years for building and improvements and 5 - 7 years for building equipment, furniture, maintenance equipment and miscellaneous assets.

Revenue and Expenses

Revenue is recorded as earned and expenses are charged against such revenue as incurred without regard to the date of receipt or payment of cash.

Subsequent Events

The Authority has evaluated events and transactions for potential recognition or disclosure through June 13, 2013, the date the financial statements were available for issuance.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 2—CASH DEPOSITS

In accordance with Section 401-(E) of the HUD/PHA Annual Contributions Contract, 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.

A. Custodial Credit Risk

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

B. 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 investment needs in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Authority.

C. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely and (c) reasonable action is taken to control any adverse developments. The Authority's investment policy requires investment in instruments authorized by HUD Notice PIH 95-27.

D. 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.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 2—CASH DEPOSITS—Continued

E. 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 deposits and investments are denominated in United States currency.

At September 30, 2012, the carrying value of cash and certificates of deposit was \$1,199,899 and \$1,386,517, respectively. The bank balance of cash and certificates of deposit owned at September 30, 2012, was \$1,205,238 and \$1,386,517, respectively.

NOTE 3—CAPITAL ASSETS

The following is the detailed transactions of capital assets during the year ended September 30, 2012:

	Balance at 10/01/11	Additions	Disposals	Transfers	Balance at 09/30/12
Land	\$ 1,217,739	\$ 10,000	\$ -	\$ 68,900	\$ 1,296,639
Buildings	9,960,610	5,115	-	268,211	10,233,936
Dwelling equipment	477,090	8,820	-	-	485,910
Office furniture and equipment	24,601	4,664	-	-	29,265
Construction in progress	185,113	352,803	-	(337,111)	200,805
	11,865,153	381,402	-	-	12,246,555
Less accumulated depreciation	(6,404,265)	(361,686)	-	-	(6,765,951)
	<u>\$ 5,460,888</u>	<u>\$ 19,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,480,604</u>

Total depreciation expense for the year ended September 30, 2012 was \$361,686.

NOTE 4—RESTRICTED NET ASSETS

In accordance with guidelines established by HUD, any housing assistance payment (HAP) budget authority provided to a housing authority in excess of actual program expenses for the same period must be maintained as restricted net assets to be used only for HAP payments incurred in the running of the Housing Choice Voucher program. Accordingly, the Authority has recorded \$25,417 as restricted net assets and restricted cash at September 30, 2012.

NOTE 5—RETIREMENT PLAN

The Authority contributes to a simplified employee pension plan for all of the eligible employees in the amount of 13% of wages. All employees are eligible who are at least 21 years of age and have worked at least 3 of the preceding 5 years. Contributions to the SEPP IRA are fully vested with the employees when made. Pension expense for the year ended September 30, 2012, was \$41,991.

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 6—COMPENSATED ABSENCES

Regular full and part-time employees receive sick leave each year and vacation leave based upon length of employment. The vacation and sick leave benefits accumulate and can be carried forward to successive years; vacation and sick leave is also paid to employees upon termination. Accordingly, at September 30, 2012, a liability of \$142,590 has been recorded for accrued compensated absences.

NOTE 7—INCOME TAXES

The Authority has qualified with the Internal Revenue Service and the Indiana Department of Revenue as a tax-exempt organization for income tax purposes and, accordingly, there is no provision in the financial statements for federal or state income taxes. Management has determined that the application of FIN 48 has no effect on its financial statements.

NOTE 8—MAJOR FUNDING SOURCE

The Authority is substantially funded by Federal awards. Due to the Authority's level of operating reserves in the Low Rent Public Housing Program, the Authority was not awarded operating subsidy funding for calendar year 2012. The Authority has been notified by HUD that they will receive Public Housing operating subsidy funding for calendar year 2013.

NOTE 9—RISK MANAGEMENT AND CONTIGENCIES

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.

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 experience, management believes such disallowances, if any, will be immaterial.

SUPPLEMENTARY INFORMATION

THE HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
Charlestown, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended September 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:		
Low Rent Public Housing	14.850	\$ 192,255
Section 8 Housing Choice Vouchers	14.871	244,544
Public Housing Capital Fund Program	14.872	<u>417,803</u>
		<u>\$ 854,602</u>

Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. 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.

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
The Housing Authority of the City of Charlestown
Charlestown, Indiana 47111

We have audited the financial statements of the Housing Authority of the City of Charlestown (the "Authority") as of and for the year ended September 30, 2012, and have issued our report thereon dated June 13, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective 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.

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 Authority's financial statements will not be prevented or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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*.

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

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
June 13, 2013

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

Board of Commissioners
The Housing Authority of
the City of Charlestown
Charlestown, Indiana 47111

Compliance

We have audited the Housing Authority of the City of Charlestown's (the "Authority's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2012. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program to determine the 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.

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

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
June 13, 2013

The Housing Authority of the City of Charlestown
Charlestown, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended September 30, 2012

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditors' Report Issued: Unqualified

Internal Control over Financial Reporting:

Material Weakness(es) Identified? ___yes ___x___ no

Significant Deficiency(ies) identified not Considered to be Material Weaknesses? ___yes ___x___ 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 that are not Considered to be Material Weakness(es)? ___yes ___x___ none reported

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

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.850	Low Rent Public Housing	\$ 192,255
14.872	Public Housing Capital Fund	\$ 417,803

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

Auditee qualified as low-risk auditee? ___x___yes ___no

B. FINDINGS—FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

The Housing Authority of the City of Charlestown
Charlestown, Indiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
for the year ended September 30, 2012

None.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Board of Commissioners
The Housing Authority of
the City of Charlestown
Charlestown, Indiana 47111

We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Charlestown (the Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents included within the OMB Circular A-133 reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for the Authority as of and for the year ended September 30, 2012, and have issued our reports thereon dated June 13, 2013. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Financial Data Schedule (FDS) dated June 13, 2013, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the financial statement package required by OMB Circular A-133, which includes the auditors' reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
June 26, 2013

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURE

				DOES
	UFRS RULE	HARD COPY		NOT
PROCEDURE	INFORMATION	DOCUMENT(S)	AGREES	AGREE
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's	X	
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	X	
4	Audit Findings Narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	X	
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	X	
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Entity Wide Balance Sheet Summary

	Project Total	14,859 Public Housing Comprehensive Grant Program	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
161 Land	1,344,439	17,783			1,362,222		1,362,222
162 Buildings	9,374,590	793,763			10,168,353		10,168,353
163 Furniture, Equipment & Machinery - Dwellings	485,910				485,910		485,910
164 Furniture, Equipment & Machinery - Administration			1,966		29,265		29,265
165 Leasehold Improvements							
166 Accumulated Depreciation	(6,394,089)	(354,526)	(1,966)	(15,370)	(6,765,951)		(6,765,951)
167 Construction in Progress	200,805				200,805		200,805
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	5,011,655	457,020	-	11,929	5,480,604		5,480,604
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	5,011,655	457,020	-	11,929	5,480,604		5,480,604
190 Total Assets	7,289,909	457,020	150,648	312,810	8,210,387		8,210,387
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	113,314			1,739	115,053		115,053
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable							
322 Accrued Compensated Absences - Current Portion	62,372			23,182	85,554		85,554
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	66,270				66,270		66,270
341 Tenant Security Deposits	36,175				36,175		36,175
342 Deferred Revenues	5,654				5,654		5,654
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	283,785	-	-	24,921	308,706		308,706

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Entity Wide Balance Sheet Summary

	Submission Type: Audited/A-133	Fiscal Year End: 09/30/2012	14,859 Public Housing Comprehensive Grant Program	14,871 Housing Choice Vouchers	COC	Subtotal	ELIM	Total
	Project Total							
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								
354 Accrued Compensated Absences - Non Current	41,582				15,454	57,036		57,036
355 Loan Liability - Non Current								
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities								
350 Total Non-Current Liabilities	41,582				15,454	57,036		57,036
300 Total Liabilities	325,367				40,375	365,742		365,742
508.1 Invested in Capital Assets, Net of Related Debt								
511.1 Restricted Net Assets	5,011,655		457,020		11,929	5,480,604		5,480,604
512.1 Unrestricted Net Assets	1,952,887			64,522		64,522		64,522
513 Total Equity/Net Assets	6,964,542		457,020	150,648	272,435	7,844,645		7,844,645
600 Total Liabilities and Equity/Net Assets	7,289,909		457,020	150,648	312,810	8,210,387		8,210,387

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2012

	Project Total	14,859 Public Housing Comprehensive Grant Program	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$ 812,111	\$ -	-	\$ -	\$ 812,111	\$ -	\$ 812,111
70400 Tenant Revenue - Other	38,356				38,356		38,356
70500 Total Tenant Revenue	850,467	-	-	-	850,467	-	850,467
70600 HUD PHA Operating Grants	243,255		244,544		487,799		487,799
70610 Capital Grants	366,803	-			366,803		366,803
70710 Management Fee				155,724	155,724	(155,724)	-
70720 Asset Management Fee				29,930	29,930	(29,930)	-
70730 Book Keeping Fee				28,283	28,283	(28,283)	-
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue				213,937	213,937	(213,937)	-
70800 Other Government Grants							
71100 Investment Income - Unrestricted	11,570		748	289	12,607		12,607
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	25,843				25,843		25,843
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	1,497,938	-	245,292	214,226	1,957,456	(213,937)	1,743,519
91100 Administrative Salaries	120,938			77,077	198,015		198,015
91200 Auditing Fees	16,300			500	16,800		16,800
91300 Management Fee	146,388		9,336		155,724	(155,724)	-
91310 Book-keeping Fee	22,448		5,835		28,283	(28,283)	-
91400 Advertising and Marketing				1,136	1,136		1,136
91500 Employee Benefit contributions - Administrative	45,000			22,871	67,871		67,871
91600 Office Expenses	22,642		16,639	55,594	94,875		94,875
91700 Legal Expense							
91800 Travel							
91810 Allocated Overhead							
91900 Other							
91000 Total Operating - Administrative	373,716	-	31,810	157,178	562,704	(184,007)	378,697

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Entity Wide Revenue and Expense Summary

	Submission Type: Audited/A-133	Fiscal Year End: 09/30/2012	14,859 Public Housing Comprehensive Grant Program	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
	Project Total							
92000 Asset Management Fee	29,930					29,930	(29,930)	-
92100 Tenant Services - Salaries	5,830					5,830		5,830
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services	2,000					2,000		2,000
92400 Tenant Services - Other	427				821	1,248		1,248
92500 Total Tenant Services	8,257				821	9,078		9,078
93100 Water	126,096				609	126,705		126,705
93200 Electricity	37,271				3,359	40,630		40,630
93300 Gas	24,408				2,423	26,831		26,831
93400 Fuel								
93500 Labor								
93600 Sewer								
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	187,775				6,391	194,166		194,166
94100 Ordinary Maintenance and Operations - Labor	189,111					189,111		189,111
94200 Ordinary Maintenance and Operations - Materials and Other	32,933				1,208	34,141		34,141
94300 Ordinary Maintenance and Operations Contracts	80,782				5,677	86,459		86,459
94500 Employee Benefit Contributions - Ordinary Maintenance	70,059					70,059		70,059
94000 Total Maintenance	372,885				6,885	379,770		379,770
95100 Protective Services - Labor								
95200 Protective Services - Other Contract Costs	26,000					26,000		26,000
95300 Protective Services - Other								
95500 Employee Benefit Contributions - Protective Services								
95000 Total Protective Services	26,000				-	26,000		26,000
96110 Property Insurance	33,907				4,695	38,602		38,602
96120 Liability Insurance	16,788				999	17,787		17,787
96130 Workmen's Compensation	6,000				7,648	13,648		13,648
96140 All Other Insurance								
96100 Total Insurance Premiums	56,695				13,342	70,037		70,037

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2012

	Project Total	14,859 Public Housing_ Comprehensive Grant Program	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
96200 Other General Expenses							
96210 Compensated Absences							
96300 Payments in Lieu of Taxes	66,270				66,270		66,270
96400 Bad debt - Tenant Rents	8,408				8,408		8,408
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	74,678	-	-	-	74,678	-	74,678
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	-	-	-	-	-	-	-
96900 Total Operating Expenses	1,129,936	-	31,810	184,617	1,346,363	(213,937)	1,132,426
97000 Excess of Operating Revenue over Operating Expenses	368,002	-	213,482	29,609	611,093	-	611,093
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			250,965		250,965		250,965
97350 HAP Portability-In							
97400 Depreciation Expense	327,908	28,865	-	4,913	361,686		361,686
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	1,457,844	28,865	282,775	189,530	1,959,014	(213,937)	1,745,077
10010 Operating Transfer In	51,000				51,000		51,000
10020 Operating transfer Out	(51,000)				(51,000)		(51,000)
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							

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Entity Wide Revenue and Expense Summary

		Submission Type: Audited/A-133	Fiscal Year End: 09/30/2012							
	Project Total	14,859 Public Housing Comprehensive Grant Program	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total			
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)										
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	40,094	(28,865)	(37,483)	24,696	(1,558)		(1,558)			
11020 Required Annual Debt Principal Payments										
11030 Beginning Equity	6,924,448	485,885	188,131	247,739	7,846,203		7,846,203			
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			125,231		125,231		125,231			
11180 Housing Assistance Payments Equity			25,417		25,417		25,417			
11190 Unit Months Available	3,000		840		3,840		3,840			
11210 Number of Unit Months Leased	2,993		778		3,771		3,771			
11270 Excess Cash	1,866,272				1,866,272		1,866,272			
11610 Land Purchases										
11620 Building Purchases	366,803				366,803		366,803			
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										

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
Project Balance Sheet Summary

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2012

	IN025000001	IN025000002	Total
111 Cash - Unrestricted	\$ 688,332	\$ 92,105	\$ 780,437
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	22,075	14,100	36,175
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	710,407	106,205	816,612
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	97,960		97,960
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	4,011	678	4,689
126.1 Allowance for Doubtful Accounts - Tenants	(1)	(1)	(2)
126.2 Allowance for Doubtful Accounts - Other	-		-
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	101,970	677	102,647
131 Investments - Unrestricted	823,946	501,012	1,324,958
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	17,736	12,840	30,576
143 Inventories	1,273	2,190	3,463
143.1 Allowance for Obsolete Inventories	(1)	(1)	(2)
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	1,655,331	622,923	2,278,254
161 Land	367,446	976,993	1,344,439
162 Buildings	4,821,394	4,553,196	9,374,590
163 Furniture, Equipment & Machinery - Dwellings	270,708	215,202	485,910
164 Furniture, Equipment & Machinery - Administration			
165 Leasehold Improvements			
166 Accumulated Depreciation	(2,345,427)	(4,048,662)	(6,394,089)
167 Construction in Progress	118,260	82,545	200,805
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	3,232,381	1,779,274	5,011,655
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	3,232,381	1,779,274	5,011,655
190 Total Assets	4,887,712	2,402,197	7,289,909

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
Project Balance Sheet Summary

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2012

	IN025000001	IN025000002	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	108,531	4,783	113,314
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion	38,231	24,141	62,372
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	42,449	23,821	66,270
341 Tenant Security Deposits	22,075	14,100	36,175
342 Deferred Revenues	3,039	2,615	5,654
343 Current Portion of Long-term Debt - Capital Projects/Mortgage			
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	214,325	69,460	283,785
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			
354 Accrued Compensated Absences - Non Current	25,488	16,094	41,582
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	25,488	16,094	41,582
300 Total Liabilities	239,813	85,554	325,367
508.1 Invested In Capital Assets, Net of Related Debt	3,232,381	1,779,274	5,011,655
511.1 Restricted Net Assets			
512.1 Unrestricted Net Assets	1,415,518	537,369	1,952,887
513 Total Equity/Net Assets	4,647,899	2,316,643	6,964,542
600 Total Liabilities and Equity/Net Assets	4,887,712	2,402,197	7,289,909

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Project Revenue and Expense Summary

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2012

	IN025000001	IN025000002	Total
70300 Net Tenant Rental Revenue	\$ 503,867	\$ 308,244	\$ 812,111
70400 Tenant Revenue - Other	28,624	9,732	38,356
70500 Total Tenant Revenue	532,491	317,976	850,467
70600 HUD PHA Operating Grants	171,997	71,258	243,255
70610 Capital Grants	284,258	82,545	366,803
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	6,056	5,514	11,570
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	19,862	5,981	25,843
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	1,014,664	483,274	1,497,938
91100 Administrative Salaries	85,600	35,338	120,938
91200 Auditing Fees	9,454	6,846	16,300
91300 Management Fee	85,495	60,893	146,388
91310 Book-keeping Fee	13,110	9,338	22,448
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	32,000	13,000	45,000
91600 Office Expenses	16,625	6,017	22,642
91700 Legal Expense			
91800 Travel			
91810 Allocated Overhead			
91900 Other			
91000 Total Operating - Administrative	242,284	131,432	373,716
92000 Asset Management Fee	17,480	12,450	29,930
92100 Tenant Services - Salaries	3,381	2,449	5,830
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services	1,000	1,000	2,000
92400 Tenant Services - Other	75	352	427
92500 Total Tenant Services	4,456	3,801	8,257
93100 Water	97,454	28,642	126,096
93200 Electricity	7,756	29,515	37,271
93300 Gas	2,793	21,615	24,408
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	108,003	79,772	187,775

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Project Revenue and Expense Summary

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2012

	IN025000001	IN025000002	Total
94100 Ordinary Maintenance and Operations - Labor	111,664	77,447	189,111
94200 Ordinary Maintenance and Operations - Materials and Other	18,823	14,110	32,933
94300 Ordinary Maintenance and Operations Contracts	45,505	35,277	80,782
94500 Employee Benefit Contributions - Ordinary Maintenance	42,437	27,622	70,059
94000 Total Maintenance	218,429	154,456	372,885
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	15,080	10,920	26,000
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	15,080	10,920	26,000
96110 Property Insurance	16,034	17,873	33,907
96120 Liability Insurance	12,405	4,383	16,788
96130 Workmen's Compensation	4,000	2,000	6,000
96140 All Other Insurance			
96100 Total insurance Premiums	32,439	24,256	56,695
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	42,449	23,821	66,270
96400 Bad debt - Tenant Rents	7,866	542	8,408
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	50,315	24,363	74,678
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	-	-	-
96900 Total Operating Expenses	688,486	441,450	1,129,936
97000 Excess of Operating Revenue over Operating Expenses	326,178	41,824	368,002
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	246,993	80,915	327,908
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	935,479	522,365	1,457,844

Housing Authority of the City of Charlestown (IN025)
 Charlestown, Indiana
 Project Revenue and Expense Summary

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2012

	IN025000001	IN025000002	Total
10010 Operating Transfer In	29,580	21,420	51,000
10020 Operating transfer Out	(29,580)	(21,420)	(51,000)
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)	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	79,185	(39,091)	40,094
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	4,568,714	2,355,734	6,924,448
11040 Prior Period Adjustments, Equity Transfers and Correction of	-	-	-
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	1,752	1,248	3,000
11210 Number of Unit Months Leased	1,748	1,245	2,993
11270 Excess Cash	1,364,625	501,647	1,866,272
11610 Land Purchases	-	-	-
11620 Building Purchases	284,258	82,545	366,803
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	-	-	-