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June 11, 2014

Board of Directors
Housing Authority of the City of Jeffersonville
206 Eastern Boulevard
Jeffersonville, IN 47130

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

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

STATE BOARD OF ACCOUNTS

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana**

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

for the year ended September 30, 2011

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Independent Auditors' Report

Board of Commissioners
Housing Authority of the City of Jeffersonville
Jeffersonville, Indiana 47130

We have audited the accompanying financial statements of the Housing Authority of the City of Jeffersonville as of and for the year ended September 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of Jeffersonville'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 Controller 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 Jeffersonville as of September 30, 2011, 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 20, 2012 on our consideration of the Housing Authority of the City of Jeffersonville'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 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 the financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 Jeffersonville 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 basic financial statements as a whole.

McCauley, Nicolas & Company, LLC

McCauley, Nicolas & Company, LLC
Certified Public Accountants

Jeffersonville, Indiana
June 20, 2012

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) SEPTEMBER 30, 2011

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

Our discussion and analysis of the Housing Authority of the City of Jeffersonville's financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2011. Please read the MD&A in conjunction with the Housing Authority's financial statements.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Financial Highlights

Assets

- Current assets decreased during the year from \$847,279 to \$704,784 and net fixed assets decreased from \$8,936,322 to \$8,881,859.
- The Housing Authority's total assets reflect a decrease during the year. Total assets decreased from \$9,783,601 to \$9,586,643, a decrease of \$196,958.

Liabilities

- Current liabilities decreased from \$203,541 to \$108,456 and non-current liabilities decreased from \$50,413 to \$49,563.
- The Housing Authority's net liabilities decreased from \$253,954 at year end in 2010 to \$158,019 at year end in 2011, a decrease of \$95,935.

Revenue

- The Authority received Operating Subsidy and Capital Grants of \$4,017,125 for the year ended December 31, 2011 as compared to \$4,536,385 in the prior year.

Expenses

- Total expenses increased \$79,805 in 2011 from \$5,079,407 to \$5,159,212. This increase was primarily a result of increased utilities, routine maintenance and tenant services costs.

Overview of the Authority's Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. This annual report also contains the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2011

Overview of the Authority's Financial Statements—Continued

The financial statements of the Housing Authority report information of the Housing Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Assets includes all the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Changes in Net Assets. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

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

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2011.

Financial Analysis

The Housing Authority accounts for its housing activities in three (3) programs. The Housing Authority has a Low Income Public Housing program that provides housing for qualified tenants, a Capital Fund program that the Housing Authority uses for improvements to its low rent property, and a Section 8 Housing Choice Voucher program that provides rental assistance to qualified participants.

The following summarizes these programs.

Low Income Public Housing – Under the Low Income Public Housing Program, the Authority rents 369 units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy funding to enable the Authority to provide the housing at a rent that is based upon 30 percent of household income. For the fiscal year ended September 30, 2011, the Authority received approximately \$1.4 million in Operating Subsidy funds.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2011**

Financial Analysis—Continued

Capital Fund Program – This is the primary funding source for physical and management improvements to the Authority's properties. For the fiscal year ended September 30, 2011, the Authority received approximately \$770,000 in Capital Fund Program funds.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own properties. The Authority subsidizes the families' rent through a Housing Assistance Payment ("HAP") made to the landlord. The program is administered under an Annual Contribution Contract ("ACC") with HUD. HUD provides ACC funding to enable the Authority to structure a lease that sets the participants' rents at 30 percent of household income. The Authority earns administrative fees to cover the cost of administering the program. As of September 30, 2011, the Authority has 410 vouchers to administer.

Our analysis below focuses on the net assets and the change in net assets of the Housing Authority as a whole and not the individual programs.

**Statement of Net Assets
September 30, 2011**

	2011	2010	Increase (Decrease)
<u>Assets</u>			
Current assets	\$ 704,784	\$ 847,279	\$ (142,495)
Capital assets, net of depreciation	<u>8,881,859</u>	<u>8,936,322</u>	<u>(54,463)</u>
Total assets	<u>\$ 9,586,643</u>	<u>\$ 9,783,601</u>	<u>\$ (196,958)</u>
<u>Liabilities</u>			
Current liabilities	\$ 108,456	\$ 203,541	\$ (95,085)
Non-current liabilities	<u>49,563</u>	<u>50,413</u>	<u>(850)</u>
Total liabilities	<u>158,019</u>	<u>253,954</u>	<u>(95,935)</u>
<u>Net Assets</u>			
Invested in capital assets	8,881,859	8,936,322	(54,463)
Unrestricted net assets	263,660	196,469	67,191
Restricted net assets	<u>283,105</u>	<u>396,856</u>	<u>(113,751)</u>
Total net assets	<u>9,428,624</u>	<u>9,529,647</u>	<u>(101,023)</u>
Total liabilities and net assets	<u>\$ 9,586,643</u>	<u>\$ 9,783,601</u>	<u>\$ (196,958)</u>

- A current asset is an asset on the balance sheet which is expected to be sold or otherwise used up in the near future, usually within one year, or one business cycle - whichever is longer. Typical current assets include cash, cash equivalents, accounts receivable, inventory, the portion of prepaid accounts which will be used within a year, and short-term investments. The decrease is due mainly to a decrease in a receivable from HUD.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2011

Financial Analysis—Continued

- A capital asset is an asset that is recorded on the balance sheet as capital - that is, property that creates more property and which produces a benefit that extends beyond the current tax year. The decrease in capital assets is due to the effects of fixed asset additions, disposals, and charges for current-year depreciation expense of \$781,947.
- Liabilities consist of obligations the Housing Authority owes and are classified as current (usually due within one year) and non-current. Current and non-current liabilities decreased as a result of the payment of accounts payable vouchers and current portion of long-term debt.
- Total net assets decreased by \$101,023. This decrease is the residual effect of the interactions of decreased revenues and increased expenditures during the current fiscal year which has been explained elsewhere in the MD&A.

**Changes in Net Assets
For the year ended September 30, 2011**

	2011	2010	Increase (Decrease)
<u>Revenues</u>			
Total tenant revenues	\$ 791,176	\$ 778,661	\$ 12,515
Operating subsidies	3,502,557	3,650,023	(147,466)
Capital grants	514,568	886,362	(371,794)
Investment income	463	314	149
Other revenues	66,834	206,046	(139,212)
Total revenue	<u>\$ 4,875,598</u>	<u>\$ 5,521,406</u>	<u>\$ (645,808)</u>
<u>Expenses</u>			
Administrative	\$ 643,568	\$ 681,575	\$ (38,007)
Tenant services	32,304	6,508	25,796
Utilities	692,192	646,884	45,308
Maintenance and operations	631,253	580,404	50,849
General expenses	650,345	887,537	(237,192)
Depreciation	781,947	747,893	34,054
Housing assistance payments	1,727,603	1,528,606	198,997
Total operating expense	<u>\$ 5,159,212</u>	<u>\$ 5,079,407</u>	<u>\$ 79,805</u>
Extraordinary item, net gain (loss)	<u>\$ 182,591</u>	<u>\$ (48,641)</u>	<u>\$ 231,232</u>
Increase (decrease) in net assets	<u>\$ (101,023)</u>	<u>\$ 393,358</u>	<u>\$ (494,381)</u>

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2011

Revenues and Expenses

- The overall decrease in revenue is a direct result of federal funding cuts of operating subsidy, capital fund grants and Section 8 HCVP subsidies.
- Tenant revenues increased \$12,515, mostly due to fluctuations in leasing activities and changing monthly rent charges for various tenants.
- Tenant services expense increased due to the salaries funded were re-allocated from other administrative staff.
- General Expenses decreased mostly due to less activity within the capital fund program (CFP) and lower payments of CFP non-capitalized expenditures.
- Routine maintenance increased by \$50,849 due to an increase in overtime for maintenance salaries and contract costs for unit turnovers. Administrative costs decreased by \$38,009 due to a decrease in administrative expenses.
- Extraordinary gain (loss) increased due to additional insurance proceeds received regarding the fire casualty loss sustained in 2010.

Capital Assets at year-end

	2011	2010	Increase (Decrease)
Land	\$ 365,272	\$ 365,272	\$ -
Buildings	21,975,297	20,888,876	1,086,421
Furniture & equipment-dwelling	1,203,085	1,074,953	128,132
Furniture & equipment-admin.	474,315	474,315	-
Construction in progress	-	558,833	(558,833)
Subtotal	24,017,969	23,362,249	655,720
Accumulated depreciation	(15,136,110)	(14,425,927)	710,183
Net capital assets	<u>\$ 8,881,859</u>	<u>\$ 8,936,322</u>	<u>\$ (54,463)</u>

Capital Assets

- At December 31, 2011, the Housing Authority had \$8,881,859 invested in net capital assets. This amount represents a net decrease of \$54,463.
- The Housing Authority owns the equipment such as stoves, refrigerators, furniture and other appliances placed inside the dwellings. These items are included in furniture, equipment and machinery.
- The Construction in Progress decreased by \$558,833 due to the difference of hard costs and soft costs for Capital Fund grants closed out during the current fiscal-year ending September 30, 2011, that had not been closed out as of fiscal-year end September 30, 2010.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued SEPTEMBER 30, 2011

List of Major Improvements

During fiscal year 2011 the Housing Authority was in the process of completing many repairs to buildings, units and exteriors through the Capital Fund Program. The Housing Authority had three open capital fund programs during the fiscal year to aid in the completion of modernization and repairs of the dwellings. For the current fiscal year end, the Housing Authority received \$514,568 in funding used for capital projects at its various developments.

Debt

At September 30, 2011 the Housing Authority had non-current liabilities of \$49,563. This amount reflects the accrued liability of the Housing Authority for compensated absences. The Housing Authority did not have any long term debt in the form of bonds or notes.

Economic Factors

The Housing Authority is primarily dependent upon the Department of Housing and Urban Development (DHUD) for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. Local economic conditions (labor and wage rates, unemployment factors, inflation, utility rates, etc.) do have various effects in the operations of the Housing Authority and how we are charged by suppliers, vendors and how we charge our clients. The funding of programs could be significantly affected by future federal budgets as we have seen a downward pattern in funding levels the last 12-18 months over all program areas. The Housing Authority continually monitors all areas of their programs and will continue to do so in order to isolate cost savings and improve operating efficiencies.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Phillip B. Bates, Executive Director, or John L. Elliott, CPA, Controller, at the Housing Authority of the City of Jeffersonville, IN 47130, telephone number (812) 283-3553.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

STATEMENT OF NET ASSETS - PROPRIETARY FUND
September 30, 2011

ASSETS

CURRENT ASSETS

Cash - unrestricted	\$	212,624
Cash - restricted		283,105
Cash - tenant security deposits		47,912
Accounts receivable - miscellaneous		104,457
Accounts receivable - tenants, net		22,407
Prepaid expenses		28,034
Inventories		6,245

TOTAL CURRENT ASSETS 704,784

PROPERTY AND EQUIPMENT

Land		365,272
Buildings		21,975,297
Furniture, equipment and machinery - dwellings		1,203,085
Furniture, equipment and machinery - administration		474,315
		<u>24,017,969</u>
Less accumulated depreciation		(15,136,110)

PROPERTY AND EQUIPMENT, NET 8,881,859

TOTAL ASSETS \$ 9,586,643

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	23,571
Accrued wages and payroll taxes		14,776
Accrued compensated absences - current portion		3,200
Tenant security deposits		47,912
Other current liabilities		18,997

TOTAL CURRENT LIABILITIES 108,456

NON CURRENT LIABILITIES

Accrued compensated absences, net of current portion		<u>49,563</u>
--	--	---------------

TOTAL LIABILITIES 158,019

NET ASSETS

Invested in capital assets		8,881,859
Unrestricted net assets		263,660
Restricted net assets		<u>283,105</u>

TOTAL NET ASSETS 9,428,624

TOTAL LIABILITIES AND NET ASSETS \$ 9,586,643

See notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUND
for the year ended September 30, 2011

OPERATING REVENUE	
Tenant revenue	\$ 791,176
HUD PHA operating grants	3,502,557
Other fee revenue	10,664
Fraud recovery	5,082
Other revenue	<u>51,088</u>
TOTAL OPERATING REVENUE	<u>4,360,567</u>
OPERATING EXPENSES	
Administrative	643,568
Tenant services	32,304
Utilities	692,192
Ordinary maintenance and operations	631,253
Insurance premiums	132,956
Other general expenses	516,073
Housing assistance payments	1,727,603
Depreciation expense	<u>781,947</u>
TOTAL OPERATING EXPENSES	<u>5,157,896</u>
Net operating loss	<u>(797,329)</u>
NONOPERATING REVENUE (EXPENSE)	
Interest income	463
Interest expense	<u>(1,316)</u>
TOTAL NONOPERATING EXPENSE	<u>(853)</u>
Net loss before extraordinary gain and capital fund grants	(798,182)
Extraordinary gain - net insurance income for fire damaged units	<u>182,591</u>
Net loss before capital fund grants	(615,591)
Capital fund grants	<u>514,568</u>
CHANGE IN NET ASSETS	(101,023)
NET ASSETS, BEGINNING OF YEAR	<u>9,529,647</u>
NET ASSETS, END OF YEAR	<u>\$ 9,428,624</u>

See notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
for the year ended September 30, 2011

OPERATING ACTIVITIES	
Cash received from tenants	\$ 803,304
Cash received from HUD operating grants	3,776,421
Other cash received	49,994
Housing assistance payments	(1,727,603)
Payments to employees and suppliers	<u>(2,698,792)</u>
Net cash provided by operating activities	<u>203,324</u>
INVESTING ACTIVITIES	
Interest income earned	<u>463</u>
Cash provided by investing activities	<u>463</u>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grant receipts	514,568
Purchase of property and equipment	(766,701)
Net insurance proceeds for fire damaged units	134,191
Principal paid on long-term debt	(50,586)
Interest paid on long-term debt	<u>(1,316)</u>
Net cash used for capital and related financing activities	<u>(169,844)</u>
Net increase in cash	33,943
OPERATING CASH	
Beginning of year	<u>509,698</u>
End of year	<u>\$ 543,641</u> *
OPERATING ACTIVITIES	
Net operating loss	\$ (797,329)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation expense	781,947
(Increase) decrease in:	
Accounts receivable - HUD	273,864
Accounts receivable - miscellaneous	(16,840)
Accounts receivable - tenants	10,378
Prepaid expenses	(1,100)
Inventories	(2,247)
Increase (decrease) in:	
Accounts payable	(47,676)
Accrued wages and payroll taxes	3,192
Accrued compensated absences	(3,046)
Accrued interest payable	(478)
Tenant security deposits	1,750
Other current liabilities	<u>909</u>
Net cash provided by operating activities	<u>\$ 203,324</u>
* Cash reconciliation as reported on the Statement of Net Assets - Proprietary Fund:	
Cash - unrestricted	\$ 212,624
Cash - restricted	283,105
Cash - tenant security deposits	<u>47,912</u>
	<u>\$ 543,641</u>

See notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, 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 Jeffersonville (the "Authority") is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representation 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 Housing Authority of the City of Jeffersonville operates as a local government unit for the purpose of providing housing services to the Jeffersonville, Indiana area. The Authority's primary purpose is to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. The Authority operates a low income rental housing project with 369 total units, as well as a Section 8 Housing Choice Voucher program with 410 total vouchers. The breakdown of low income rental housing units by project is shown below.

<u>Low Income Rental Housing</u>	<u>Units</u>
Project No. Ind. 23-1	52
Project No. Ind. 23-2	62
Project No. Ind. 23-3	74
Project No. Ind. 23-4	80
Project No. Ind. 23-6	<u>101</u>
	<u><u>369</u></u>

Reporting Entity

In evaluating the Authority as a reporting entity, the City of Jeffersonville (the City) does not bear responsibility for the Authority's operations. The Mayor of the City appoints an independent Board of Commissioners to oversee 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. Consequently, in accordance with the Governmental Accounting Standards Board, management has concluded that the Housing Authority of the City of Jeffersonville is a separate reporting entity.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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 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.

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, 2011.

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. The allowance for doubtful accounts was \$900 for accounts receivable – tenants at September 30, 2011. Management believes all other accounts receivable as of September 30, 2011 were collectible and no allowance was necessary.

Inventories

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

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Property and Equipment

Property and equipment 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 - 35 years for building and leasehold improvements and 5 - 10 years for building equipment, furniture, maintenance equipment and miscellaneous assets.

Revenue and Expenses

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

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

Subsequent Events

The Authority has evaluated events and transactions for potential recognition or disclosure through June 20, 2012, the date the financial statements were available for issuance.

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 as of September 30, 2011, were insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company or depository financial institutions. The deposits exceeding the insured or registered limits are collateralized with securities held by the Authority's financial institution.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 2—CASH DEPOSITS—Continued

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.

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.

The carrying value of the Authority's cash deposits was \$543,641 at September 30, 2011. The bank balances before reconciling items, including deposits in transit totaling \$50,444, was \$504,466 at September 30, 2011.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—PROPERTY AND EQUIPMENT

The following is the detail of property and equipment transactions during the year ended September 30, 2011:

	Balance 9/30/10	Additions	Disposals	Transfers	Balance 9/30/11
Land	\$ 365,272	\$ -	\$ -	\$ -	\$ 365,272
Buildings	20,888,876	638,569	(110,981)	558,833	21,975,297
Furniture, equipment and machinery-dwellings	1,074,953	128,132	-	-	1,203,085
Furniture, equipment and machinery-administration	474,315	-	-	-	474,315
Construction in progress	558,833	-	-	(558,833)	-
	<u>\$ 23,362,249</u>	<u>\$ 766,701</u>	<u>\$ (110,981)</u>	<u>\$ -</u>	<u>\$ 24,017,969</u>

Total depreciation expense for the year ended September 30, 2011 was \$781,947.

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 \$283,105 as restricted net assets and restricted cash at September 30, 2011 in the Housing Choice Voucher Program.

NOTE 5—COMPENSATED ABSENCES

Regular full and part-time employees receive sick leave and vacation leave each year based upon length of employment. Both sick leave and vacation leave can be carried forward to successive years, but only vacation leave is eligible to be paid to the employee upon termination, as all sick leave is forfeited at that point. Also, only a maximum of 240 hours of vacation leave is eligible to be paid upon termination. Accordingly, at September 30, 2011, a liability of \$52,763 has been recorded for accrued compensated absences related to accrued vacation hours at that date, which will be required to be paid to employees upon usage or termination.

NOTE 6—RETIREMENT PLAN

The Authority provides pension benefits for all eligible employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Eligible employees are all employees who are at least 21 years of age and have been employed by the Authority for at least two of the preceding five years. For each eligible employee, the Authority is required to contribute an amount equal to 14% of their base wages to the plan each year. All contributions are fully vested with the employees when made. For the year ended September 30, 2011, contributions by the Authority were \$90,800 based upon \$648,575 of base wage expense to eligible employees.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 7—LEASING ACTIVITIES (AS LESSOR)

The Authority leases roof space on one of its buildings to a wireless communications provider under a noncancelable operating lease with a term of five years, expiring during the year ending September 30, 2016. Also, the Authority leases a building to the Jeffersonville Parks Authority (the "Parks Authority") under a noncancelable operating lease with a term of 3 years, expiring during the year ending September 30, 2014. The building is leased at a discounted rate of \$1 per year. At September 30, 2011, the capitalized value of the building leased to the Parks Authority was \$1,342,924 and the related accumulated depreciation was \$376,542. For the year ended September 30, 2011, depreciation expense on the building leased to the Parks Authority was \$37,798.

Total future minimum rental receipts under the above operating leases are as follows:

Year ending <u>September 30,</u>	
2012	\$ 13,651
2013	13,651
2014	13,651
2015	13,650
2016	<u>5,688</u>
Total future minimum rental receipts	<u>\$ 60,291</u>

NOTE 8—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 9—EXTRAORDINARY GAIN

During the year ended September 30, 2010, four public housing units at project 23-3 suffered fire damage which resulted in complete losses of the units. Insurance proceeds related to those units were received and costs were incurred to rebuild the units during the year ended September 30, 2011. Insurance proceeds were netted against the net book value of fire damaged units written-off during the year ended September 30, 2011, resulting in an extraordinary gain of \$182,591. The cost to rebuild the units of \$286,301 was capitalized and has been included in Buildings within the Statement of Net Assets – Proprietary Fund as of September 30, 2011.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 10—MAJOR FUNDING SOURCE

The Authority is substantially funded by Federal awards. This funding is subject to federal government appropriations and potential funding reductions. Management does not anticipate any material change in funding.

NOTE 11—RISK MANAGEMENT

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

NOTE 12—CONTINGENCIES

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

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

SUPPLEMENTARY INFORMATION

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended September 30, 2011

<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	\$ 1,428,201
Section 8 Housing Choice Vouchers	14.871	1,815,176
Public Housing – Capital Fund Program Cluster:		
Capital Fund Program	14.872	\$ 600,580
ARRA -Formula Capital Fund Stimulus Grant	14.885	<u>173,168</u>
		<u>773,748</u>
Total Expenditures of Federal Awards		<u>\$ 4,017,125</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
Housing Authority of
the City of Jeffersonville
Jeffersonville, Indiana 47130

We have audited the financial statements of the Housing Authority of the City of Jeffersonville (the "Authority"), as of and for the year ended September 30, 2011, and have issued our report thereon dated June 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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 above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Authority in a separate letter dated June 20, 2012.

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 20, 2012

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
Housing Authority of
the City of Jeffersonville
Jeffersonville, Indiana 47130

Compliance

We have audited the compliance of the Housing Authority of the City of Jeffersonville (the "Authority"), 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, 2011. 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 of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are disclosed in the accompanying schedule of findings and questioned costs as items 2011-01, 2011-02, 2011-03, 2011-04, and 2011-05.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-01, 2011-02, 2011-03, 2011-04, and 2011-05. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the Authority, and 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 20, 2012

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended September 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Housing Authority of the City of Jeffersonville (the "Authority").
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Five significant deficiencies relating to the audit of the major federal award programs are reported in the 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.
5. The auditor's report on compliance for the major federal award programs for the Authority expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as a major programs included:

<u>Description</u>	<u>Federal CFDA No.</u>
Low Rent Public Housing	14.850
Capital Fund Cluster:	
Public Housing Capital Fund Program	14.872
ARRA - Formula Capital Fund Stimulus Grant	14.885

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Authority was not determined to be a low-risk auditee.

B. FINDINGS—FINANCIAL STATEMENTS AUDIT

None.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
for the year ended September 30, 2011

C. FINDINGS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

FINDING 2011-01 – Capital Fund Program cluster (CFDA #14.872 & #14.885)

Condition:

For nine instances out of forty instances tested, subcontractor employees were being paid less than Davis-Bacon Act prevailing wages.

Criteria:

For all capital fund projects, all subcontractor employees are required to be paid wage rates that are equal to or greater than Davis-Bacon Act prevailing rates for the specific project.

Effect:

For nine out of forty instances tested, the Authority did not adhere to Davis-Bacon Act requirements.

Questioned Costs:

The exact total of questioned costs, if any, could not be determined.

Recommendation:

Controls should be implemented to ensure all subcontractor employees are being paid wage rates that are equal to or greater than the Davis-Bacon Act prevailing wage rates in effect for the related capital fund project.

Response:

Contact Person: Capital Fund Coordinator

Corrective Action Planned: Corrective action has been taken. The Housing Authority has corrected and will ensure appropriate wage rates are used by contractors. The Capital Fund Coordinator reviews all contractor payrolls signing off on and dating reports.

Anticipated Completion Date: Corrective action has been implemented.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
for the year ended September 30, 2011

FINDING 2011-02 – Low Rent Public Housing (CFDA #14.850)

Condition:

An initial move-in unit inspection was not performed for three out of seven participants tested who moved into new units during the year ended September 30, 2011. Also, a move-out inspection was not performed for four out of nine participants tested who left the public housing program during the year ended September 30, 2011.

Criteria:

When a Public Housing Program participant moves into a new unit, a lease cannot be signed until the unit has been inspected and it has been documented to be in a safe, decent and sanitary condition. The inspection must be conducted in the presence of the future resident or a representative of the future resident and a written statement noting the conditions of the dwelling unit and equipment or appliances provided with the unit must be provided to that individual. Also, a move-out inspection must be completed and documented when a participant leaves the public housing program. The difference between the condition of the unit at move-in and at move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

Effect:

HUD requirements were not met, as move-in and move-out inspections were not consistently documented.

Questioned Costs:

The exact total of questioned costs, if any, could not be determined

Recommendation:

Controls should be implemented to ensure unit inspections are performed and properly documented before a new lease is signed and a Public Housing Program participant moves into a new unit. Also, controls should be implemented to ensure unit inspections are performed and properly documented when a participant moves out of a public housing unit.

Response:

Contact Person: Maintenance Superintendent

Corrective Action Planned: Corrective action has been taken by the Housing Authority. Move-in and move-out inspections are completed and verified by the Superintendent of Maintenance.

Anticipated Completion Date: Corrective action has been implemented.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
for the year ended September 30, 2011

FINDING 2011-03 – Low Rent Public Housing (CFDA #14.850)

Condition:

Two applicants out of a sample of twenty-five applicants tested were not added to the wait list based upon their proper number of preference points. Because of that, applicants with fewer preference points were improperly housed ahead of those two applicants.

Criteria:

All applicants must be consistently added to the wait list and offered housing based upon the preferences and procedures documented in the Authority's Admissions and Continued Occupancy Policy.

Effect:

Two applicants were not properly added to the wait list or offered housing based upon the preferences and procedures documented in the Authority's Admissions and Continued Occupancy Policy.

Questioned Costs:

The exact total of questioned costs, if any, could not be determined.

Recommendation:

The Authority should implement controls to ensure applicants are properly placed on, and selected from, the wait list based upon their Admissions and Continued Occupancy Policy.

Response:

Contact Person: Housing Manager

Corrective Action Planned: Corrective measures have been taken by the Housing Authority. Applicant information is reviewed and preference points recalculated by the Housing Manager to ensure correct points are assigned and proper placement occurs on the waiting list.

Anticipated Completion Date: Corrective action has been implemented.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
for the year ended September 30, 2011

FINDING 2011-04 – Low Rent Public Housing (CFDA #14.850)

Condition:

One public housing unit selected for file testing was occupied by an employee of the Authority rent free, and did not have an annual reexamination performed. However, on the 2011 Operating Fund Calculation of Operating Subsidy form, the unit months for that unit were shown on line number 01 "Occupied dwelling units – by public housing eligible family under lease" instead of line number 02 "Occupied dwelling units – by PHA employee, police officer, or other security personnel who is not otherwise eligible for public housing."

Criteria:

The unit months for all units occupied by a PHA employee, police officer, or other security personnel, free of rent or under a similar non-routine rental agreement, must be included on line 02 of the Operating Fund Calculation of Operating Subsidy form.

Effect:

By including those unit months on line 01 of the Operating Fund Calculation of Operating Subsidy form the Authority received public housing operating subsidy funding from HUD for that unit. However, that unit should have been excluded from receiving operating subsidy funding.

Questioned Costs:

The exact total of questioned costs, if any, could not be determined.

Recommendation:

The Authority should implement controls to ensure units occupied by a PHA employee, police officer, or other security personnel are either included on line 02 of the Operating Fund Calculation of Operating Subsidy form or excluded from line 01 of that form, or those individuals are charged rent based upon normal public housing practices and annual reexaminations are performed.

Response:

Contact Person: Controller

Corrective Action Planned: Corrective action have been taken by the Housing Authority to ensure units occupied by an employee are properly accounted for in the subsidy calculation. Proper classification has been noted and will be included on line 02 of the operating fund calculation and excluded from line 01.

Anticipated Completion Date: Corrective action has been implemented. Correct classification will be presented on the 2013 operating subsidy forms.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
for the year ended September 30, 2011

FINDING 2011-05 – Low Rent Public Housing (CFDA #14.850)

Condition:

Centralized maintenance functions are not being charged to the AMPs based upon a fee for service approach. Instead, the payroll costs of maintenance employees performing those functions are being allocated 50% to AMP 1 and 50% to AMP 2.

Criteria:

When functions such as maintenance that directly support a project are centralized, the COCC must charge each project using a fee for service approach. Fee amounts must be reasonable and must only be charged to the project for actual services performed.

Effect:

Maintenance costs charged to the AMPs were not accurate since a fee for service approach was not used.

Questioned Costs:

The exact total of questioned costs, if any, could not be determined.

Recommendation:

The Authority should implement controls to ensure maintenance costs for centralized functions are charged to the AMPs based upon a fee for service approach. Further, controls should be implemented to ensure fees charged are reasonable and are only charged to the project based upon actual services performed.

Response:

Contact Person: Executive Director and Controller

Corrective Action Planned: Corrective measures have been taken by the Housing Authority. Maintenance employees have been assigned to specific properties within the AMP's and payroll costs recorded only to the appropriate AMP expenses. In instances where specific assignment was not possible, procedures necessary for the implementation of fee-for-service approach are currently being reviewed.

Anticipated Completion Date: August 1, 2012

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
for the year ended September 30, 2011

None.



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Indiana CPA Society | Kentucky Society of CPAs

Independent Accountant's Report on Applying Agreed-Upon Procedure

The Housing Authority of
the City of Jeffersonville
Jeffersonville, Indiana 47130

We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Jeffersonville (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 Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure 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 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 Housing Authority as of and for the year ended September 30, 2011, and have issued our reports thereon dated June 20, 2012. 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 Housing Authority's Financial Data Schedule (FDS) dated June 20, 2012, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package required by OMB Circular A-133, which includes the auditor's 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 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 29, 2012

**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, if applicable	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 JEFFERSONVILLE

Financial Data Schedule
Entity Wide Balance Sheet Summary
September 30, 2011

	Project Total	14,871 Housing Choice Vouchers	14,885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$ 131,229	\$ 54,865	\$ -	\$ 26,530	\$ 212,624	\$ -	\$ 212,624
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	283,105	-	-	283,105	-	283,105
114 Cash - Tenant Security Deposits	47,912	-	-	-	47,912	-	47,912
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-
100 Total Cash	179,141	337,970	-	26,530	543,641	-	543,641
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	104,457	-	-	-	104,457	-	104,457
126 Accounts Receivable - Tenants	23,307	-	-	-	23,307	-	23,307
126.1 Allowance for Doubtful Accounts - Tenants	(900)	-	-	-	(900)	-	(900)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
128.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
128.3 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
128.4 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	126,864	-	-	-	126,864	-	126,864
131 Investments - Unrestricted	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	24,268	-	-	3,766	28,034	-	28,034
143 Inventories	6,245	-	-	-	6,245	-	6,245
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-
150 Total Current Assets	336,518	337,970	-	30,296	704,784	-	704,784
161 Land	365,272	-	-	-	365,272	-	365,272
162 Buildings	21,975,297	-	-	-	21,975,297	-	21,975,297
163 Furniture, Equipment & Machinery - Dwellings	1,203,085	-	-	-	1,203,085	-	1,203,085
164 Furniture, Equipment & Machinery - Administration	-	-	-	474,315	474,315	-	474,315
165 Leasehold Improvements	-	-	-	-	-	-	-
166 Accumulated Depreciation	(14,734,925)	-	-	(401,485)	(15,136,410)	-	(15,136,410)
167 Construction in Progress	-	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	8,809,029	-	-	72,830	8,881,859	-	8,881,859
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	8,809,029	-	-	72,830	8,881,859	-	8,881,859
190 Total Assets	\$ 9,145,547	\$ 337,970	\$ -	\$ 103,126	\$ 9,586,643	\$ -	\$ 9,586,643

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
Entity Wide Balance Sheet Summary
September 30, 2011

	Project Total	14,871 Housing Choice Vouchers	14,885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days	16,910	-	-	6,761	23,571	-	23,571
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	9,632	2,068	-	3,076	14,776	-	14,776
322 Accrued Compensated Absences - Current Portion	1,964	625	-	611	3,200	-	3,200
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	47,912	-	-	-	47,912	-	47,912
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	14,622	-	-	4,375	18,997	-	18,997
347 Inter Program - Due To	-	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-
310 Total Current Liabilities	90,940	2,693	-	14,823	108,456	-	108,456
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	30,418	9,676	-	9,469	49,563	-	49,563
355 Loan Liability - Non Current	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	30,418	9,676	-	9,469	49,563	-	49,563
300 Total Liabilities	121,358	12,369	-	24,292	158,019	-	158,019
508.1 Invested in Capital Assets, Net of Related Debt	8,808,029	-	-	72,850	8,881,859	-	8,881,859
509.2 Fund Balance Reserved	-	-	-	-	-	-	-
511.2 Unreserved, Designated Fund Balance	-	-	-	-	-	-	-
511.1 Restricted Net Assets	-	283,105	-	-	283,105	-	283,105
512.1 Unrestricted Net Assets	215,160	42,496	-	6,004	263,660	-	263,660
512.2 Unreserved, Undesignated Fund Balance	-	-	-	-	-	-	-
513 Total Equity/Net Assets	9,024,189	325,601	-	78,854	9,428,624	-	9,428,624
600 Total Liabilities and Equity/Net Assets	\$ 9,145,547	\$ 337,970	\$ -	\$ 103,126	\$ 9,586,643	\$ -	\$ 9,586,643

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
 Entity Wide Revenue and Expense Summary
 for the year ended September 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
70500 Net Tenant Rental Revenue	\$ 749,781	\$ -	\$ -	\$ -	\$ 749,781	\$ -	\$ 749,781
70400 Tenant Revenue - Other	41,395	-	-	-	41,395	-	41,395
70500 Total Tenant Revenue	791,176	-	-	-	791,176	-	791,176
70600 HUD PHA Operating Grants	1,642,881	1,815,176	44,500	-	3,502,557	-	3,502,557
70610 Capital Grants	385,900	-	128,668	-	514,568	-	514,568
70710 Management Fee	-	-	-	148,912	148,912	(148,912)	-
70720 Asset Management Fee	-	-	-	29,160	29,160	(29,160)	-
70730 Book Keeping Fee	-	-	-	56,741	56,741	(56,741)	-
70740 Front Line Service Fee	-	-	-	-	-	-	-
70750 Other Fees	-	-	10,664	-	10,664	-	10,664
70700 Total Fee Revenue	-	-	-	245,477	245,477	(234,813)	10,664
70800 Other Government Grants	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	-	74	-	315	389	-	389
71200 Mortgage Interest Income	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	5,082	5,082	-	5,082
71500 Other Revenue	36,708	14,380	-	-	51,088	-	51,088
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	74	-	-	74	-	74
70000 Total Revenue	2,859,655	1,834,786	173,168	245,792	5,110,411	(234,813)	4,875,598
91100 Administrative Salaries	212,894	84,432	-	117,059	424,385	-	424,385
91200 Auditing Fees	10,800	2,325	-	2,325	15,450	-	15,450
91300 Management Fee	62,500	41,912	44,500	-	148,912	(148,912)	-
91310 Book-keeping Fee	31,053	25,698	-	-	56,741	(56,741)	-
91400 Advertising and Marketing	275	-	-	683	958	-	958
91500 Employee Benefit Contributions - Administrative	80,436	10,379	-	12,990	83,805	-	83,805
91600 Office Expenses	480	1,657	-	22,576	24,723	-	24,723
91700 Legal Expense	7,074	-	-	4,774	11,848	-	11,848
91800 Travel	-	-	-	2,024	2,024	-	2,024
91810 Allocated Overhead	-	-	-	-	-	-	-
91900 Other	1,291	-	-	79,084	80,375	-	80,375
91000 Total Operating - Administrative	386,813	176,393	44,500	241,615	849,221	(205,653)	643,568
92000 Asset Management Fee	29,160	-	-	-	29,160	(29,160)	-
92100 Tenant Services - Salaries	23,302	-	-	-	23,302	-	23,302
92200 Relocation Costs	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400 Tenant Services - Other	9,002	-	-	-	9,002	-	9,002
92500 Total Tenant Services	32,304	-	-	-	32,304	-	32,304
93100 Water	83,394	-	-	460	83,854	-	83,854
93200 Electricity	271,331	-	-	7,131	278,522	-	278,522
93300 Gas	174,546	-	-	1,940	176,486	-	176,486
93400 Fuel	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
Entity Wide Revenue and Expense Summary
for the year ended September 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
93500 Labor	-	-	-	-	-	-	-
93600 Sewer	152,430	-	-	900	153,330	-	153,330
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-
93900 Total Utilities	681,701	-	-	10,481	692,182	-	692,182
94100 Ordinary Maintenance and Operations - Labor	316,121	-	-	-	316,121	-	316,121
94200 Ordinary Maintenance and Operations - Materials and Other	146,791	-	-	5,198	151,989	-	151,989
94300 Ordinary Maintenance and Operations Contracts	126,109	-	-	37,034	163,143	-	163,143
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-
94000 Total Maintenance	589,021	-	-	42,232	631,253	-	631,253
95100 Protective Services - Labor	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-
96110 Property Insurance	-	-	-	-	-	-	-
96120 Liability Insurance	120,515	-	-	12,441	132,956	-	132,956
96130 Workmen's Compensation	-	-	-	-	-	-	-
96140 All Other Insurance	-	-	-	-	-	-	-
96100 Total Insurance Premiums	120,515	-	-	12,441	132,956	-	132,956
96200 Other General Expenses	381,878	42,411	-	56,615	482,904	-	482,904
96210 Compensated Absences	(1,050)	2,507	-	(4,502)	(3,045)	-	(3,045)
96500 Payments in Lieu of Taxes	12,177	-	-	-	12,177	-	12,177
96400 Bad debt - Tenant Rents	24,037	-	-	-	24,037	-	24,037
96500 Bad debt - Mortgages	-	-	-	-	-	-	-
96500 Bad debt - Other	-	-	-	-	-	-	-
96600 Severance Expense	-	-	-	-	-	-	-
96000 Total Other General Expenses	417,042	44,918	-	54,113	516,073	-	516,073
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	1,316	-	-	-	1,316	-	1,316
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	1,316	-	-	-	1,316	-	1,316
96900 Total Operating Expenses	2,257,872	221,311	44,500	360,792	2,884,475	(234,813)	2,649,662
97000 Excess of Operating Revenue over Operating Expenses	588,793	1,613,475	128,668	(115,000)	2,225,936	-	2,225,936
97100 Extraordinary Maintenance	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	1,715,837	-	-	1,715,837	-	1,715,837
97350 HAP Portability-In	-	11,766	-	-	11,766	-	11,766
97400 Depreciation Expense	734,515	-	-	47,432	781,947	-	781,947
97500 Fraud Losses	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	2,992,387	1,948,914	44,500	408,224	5,394,025	(234,813)	5,159,212
90000 Total Expenses	2,992,387	1,948,914	44,500	408,224	5,394,025	(234,813)	5,159,212

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
 Entity Wide Revenue and Expense Summary
 for the year ended September 30, 2011

	Project Total	14,871-Housing Choice Vouchers	14,885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
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	182,591	-	-	-	182,591	-	182,591
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 Program and Project - Out	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	182,591	-	-	-	182,591	-	182,591
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 46,669	\$ (114,129)	\$ 128,668	\$ (162,432)	\$ (101,023)	\$ -	\$ (101,023)
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-
11030 Beginning Equity	8,721,482	439,729	-	365,436	9,529,647	-	9,529,647
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	255,938	-	(128,668)	(127,170)	-	-	-
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	-	42,496	-	-	42,496	-	42,496
11180 Housing Assistance Payments Equity	-	283,105	-	-	283,105	-	283,105
11210 Unit Months Available	4,428	4,920	-	-	9,348	-	9,348
11220 Number of Unit Months Leased	4,140	4,504	-	-	8,644	-	8,644
11270 Excess Cash	26,910	-	-	-	26,910	-	26,910
11610 Land Purchases	-	-	-	-	-	-	-
11620 Building Purchases	389,605	-	-	-	389,605	-	389,605
11630 Furniture & Equipment - Dwelling Purchases	124,963	-	-	-	124,963	-	124,963
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 JEFFERSONVILLE

Financial Data Schedule
Project Balance Sheet Summary
September 30, 2011

	IN023100000	IN023200000	Total
111 Cash - Unrestricted	\$ 2,632	\$ 128,597	\$ 131,229
112 Cash - Restricted - Modernization and Development	-	-	-
113 Cash - Other Restricted	-	-	-
114 Cash - Tenant Security Deposits	14,601	33,311	47,912
115 Cash - Restricted for Payment of Current Liabilities	-	-	-
100 Total Cash	17,233	161,908	179,141
121 Accounts Receivable - PHA Projects	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-
124 Accounts Receivable - Other Government	-	-	-
125 Accounts Receivable - Miscellaneous	104,457	-	104,457
126 Accounts Receivable - Tenants	17,568	5,739	23,307
126.1 Allowance for Doubtful Accounts - Tenants	(500)	(400)	(900)
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	121,525	5,339	126,864
131 Investments - Unrestricted	-	-	-
132 Investments - Restricted	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-
142 Prepaid Expenses and Other Assets	9,707	14,561	24,268
143 Inventories	2,498	3,747	6,245
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From	-	-	-
145 Assets Held for Sale	-	-	-
150 Total Current Assets	150,993	185,555	336,548
161 Land	124,192	241,080	365,272
162 Buildings	7,512,148	14,463,149	21,975,297
163 Furniture, Equipment & Machinery - Dwellings	467,641	735,444	1,203,085
164 Furniture, Equipment & Machinery - Administration	-	-	-
165 Leasehold Improvements	-	-	-
166 Accumulated Depreciation	(4,875,897)	(9,858,728)	(14,734,625)
167 Construction in Progress	-	-	-
168 Infrastructure	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	3,228,084	5,580,945	8,809,029
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	3,228,084	5,580,945	8,809,029
190 Total Assets	\$ 3,379,047	\$ 5,766,500	\$ 9,145,547

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
Project Balance Sheet Summary
September 30, 2011

	IN023100000	IN023200000	Total
	\$	\$	\$
311 Bank Overdraft	-	-	-
312 Accounts Payable <= 90 Days	3,344	13,466	16,810
321 Accrued Wage/Payroll Taxes Payable	3,949	5,683	9,632
322 Accrued Compensated Absences - Current Portion	882	1,072	1,954
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	14,601	35,311	47,912
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	-	-	-
348 Accrued Liabilities - Other	-	14,622	14,622
347 Inter Program - Due To	-	-	-
348 Loan Liability - Current	-	-	-
310 Total Current Liabilities	22,766	68,154	90,940
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	13,820	16,588	30,418
355 Loan Liability - Non Current	-	-	-
356 FASB 5 Liabilities	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-
350 Total Non-Current Liabilities	13,820	16,588	30,418
300 Total Liabilities	36,606	84,752	121,358
508.1 Invested in Capital Assets, Net of Related Debt	-	-	-
509.2 Fund Balance Reserved	3,228,084	5,660,945	8,809,029
511.2 Unreserved, Designated Fund Balance	-	-	-
511.1 Restricted Net Assets	-	-	-
512.1 Unrestricted Net Assets	114,357	100,803	215,160
512.2 Unreserved, Undesignated Fund Balance	-	-	-
513 Total Equity/Net Assets	3,342,441	5,661,748	9,024,189
600 Total Liabilities and Equity/Net Assets	\$ 3,379,047	\$ 5,766,500	\$ 9,145,547

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
Project Revenue and Expense Summary
for the year ended September 30, 2011

	IN023100000	IN023200000	Total
70300 Net Tenant Rental Revenue	\$ 244,882	\$ 504,799	\$ 749,681
70400 Tenant Revenue - Other	17,049	24,346	41,395
70500 Total Tenant Revenue	262,031	529,145	791,176
70600 HUD PHA Operating Grants	757,165	885,716	1,642,881
70610 Capital Grants	323,087	62,813	385,900
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	-	-	-
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	32,592	4,116	36,708
71600 Gain or Loss on Sale of Capital Assets	-	-	-
72000 Investment Income - Restricted	-	-	-
70000 Total Revenue	1,374,875	1,481,790	2,856,665
91100 Administrative Salaries	104,434	108,460	212,894
91200 Auditing Fees	4,300	6,500	10,800
91300 Management Fee	-	62,500	62,500
91310 Book-keeping Fee	12,421	18,632	31,053
91400 Advertising and Marketing	-	275	275
91500 Employee Benefit Contributions - Administrative	26,181	34,255	60,436
91600 Office Expenses	137	353	490
91700 Legal Expense	2,604	4,470	7,074
91800 Travel	-	-	-
91810 Allocated Overhead	-	-	-
91900 Other	39	1,252	1,291
91000 Total Operating - Administrative	150,116	236,697	386,813
92000 Asset Management Fee	-	28,160	28,160
92100 Tenant Services - Salaries	-	23,302	23,302
92200 Relocation Costs	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-
92400 Tenant Services - Other	4,242	4,760	9,002
92500 Total Tenant Services	4,242	28,092	32,304
93100 Water	21,412	61,982	83,394
93200 Electricity	134,359	136,972	271,331
93300 Gas	70,388	104,157	174,545
93400 Fuel	-	-	-

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
 Project Revenue and Expense Summary
 for the year ended September 30, 2011

	IN023100000	IN023200000	Total
83500 Labor	-	-	-
83600 Sewer	48,167	104,263	152,430
83700 Employee Benefit Contributions - Utilities	-	-	-
83800 Other Utilities Expense	-	-	-
83900 Total Utilities	274,327	407,374	681,701
84100 Ordinary Maintenance and Operations - Labor	136,708	180,413	316,121
84200 Ordinary Maintenance and Operations - Materials and Other	49,704	97,087	146,791
84300 Ordinary Maintenance and Operations Contracts	57,360	66,749	124,109
84500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-
84600 Total Maintenance	242,772	344,249	587,021
85100 Protective Services - Labor	-	-	-
85200 Protective Services - Other Contract Costs	-	-	-
85300 Protective Services - Other	-	-	-
85500 Employee Benefit Contributions - Protective Services	-	-	-
85600 Total Protective Services	-	-	-
86110 Property Insurance	-	-	-
86120 Liability Insurance	50,623	69,892	120,515
86130 Workmen's Compensation	-	-	-
86140 All Other Insurance	-	-	-
86100 Total Insurance Premiums	50,623	69,892	120,515
86200 Other General Expenses	166,736	195,143	361,879
86210 Compensated Absences	53	(1,103)	(1,050)
86300 Payments in Lieu of Taxes	-	12,177	12,177
86400 Bad debt - Tenant Rents	11,785	12,272	24,057
86500 Bad debt - Mortgages	-	-	-
86600 Bad debt - Other	-	-	-
86800 Severance Expense	-	-	-
86900 Total Other General Expenses	188,553	218,489	417,042
86710 Interest of Mortgage (or Bonds) Payable	-	-	-
86720 Interest on Notes Payable (Short and Long Term)	447	869	1,316
86730 Amortization of Bond Issue Costs	-	-	-
86700 Total Interest Expense and Amortization Cost	447	869	1,316
86900 Total Operating Expenses	921,080	1,336,792	2,257,872
87000 Excess of Operating Revenue over Operating Expenses	453,795	144,998	598,793
97100 Extraordinary Maintenance	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-
97300 Housing Assistance Payments	-	-	-
97350 HAP Portability-In	-	-	-
97400 Depreciation Expense	264,230	480,285	734,515
97500 Fraud Losses	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-
97800 Dwelling Units Rent Expense	-	-	-
98000 Total Expenses	1,175,319	1,817,077	2,992,397

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Financial Data Schedule
Project Revenue and Expense Summary
for the year ended September 30, 2011

	IN023100000	IN023200000	Total
10010 Operating Transfer In	-	-	-
10020 Operating Transfer Out	-	-	-
10030 Operating Transfers fromto Primary Government	-	-	-
10040 Operating Transfers fromto Component Unit	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-
10060 Proceeds from Property Sales	-	-	-
10070 Extraordinary Items, Net Gain/Loss	182,591	-	182,591
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)	182,591	-	182,591
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 382,156	\$ (335,287)	\$ 46,869
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	2,652,326	-	2,652,326
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	6,088,156	-	6,088,156
11050 Changes in Compensated Absence Balance	307,959	(62,121)	245,838
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	1,512	2,916	4,428
11210 Number of Unit Months Leased	1,373	2,767	4,140
11270 Excess Cash	39,216	(12,305)	26,910
11610 Land Purchases	-	-	-
11620 Building Purchases	249,744	139,861	389,605
11630 Furniture & Equipment - Dwelling Purchases	73,343	51,920	124,963
11640 Furniture & Equipment - Administrative Purchases	-	-	-
11650 Leasehold Improvements Purchases	-	-	-
11660 Infrastructure Purchases	-	-	-
13510 CFFP Debt Service Payments	-	-	-
13901 Replacement Housing Factor Funds	-	-	-