



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B43674

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2011 to September 30, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Jeffersonville, as of September 30, 2012 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

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

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

for the year ended September 30, 2012

CONTENTS

Independent Auditor's Report	1 and 2
Management's Discussion and Analysis	3 - 9
Financial Statements:	
Statement of Net Assets – Proprietary Fund	10
Statement of Revenue, Expenses and Changes in Net Assets – Proprietary Fund	11
Statement of Cash Flows – Proprietary Fund	12
Notes to Financial Statements	13 – 19
Supplementary Information:	
Schedule of Expenditures of Federal Awards	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21 and 22
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	23 and 24
Schedule of Findings and Questioned Costs	25 – 28
Summary Schedule of Prior Audit Findings	29 – 31
Independent Accountant's Report on Applying Agreed-Upon Procedure	32 and 33
Financial Data Schedule	34 - 46



702 North Shore Drive, Suite 500
Jeffersonville, IN 47130

812.288.6621 PHONE
812.288.2885 FAX

mncpa.com

MEMBER PKF North America | PKF International Limited | AICPA PCPS Division
Indiana CPA Society | Kentucky Society of CPAs

Independent Auditor's 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, 2012, 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, 2012, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2013 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 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 9 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of 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 19, 2013

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) SEPTEMBER 30, 2012

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 (Housing Authority), financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2012. 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 \$704,784 to \$594,086 and fixed assets decreased from \$8,881,859 to \$8,573,715.
- The Housing Authority's total assets reflect a decrease during the year. Total assets decreased from \$9,586,643 to \$9,167,801, a decrease of \$418,842.

Liabilities

- Current liabilities increased from \$108,456 to \$132,775 and non-current liabilities decreased from \$49,563 to \$48,183.
- The Housing Authority's net liabilities increased from \$158,019 at year end in 2011 to \$180,958 at year end in 2012.

Revenue

- The Housing Authority received Operating Subsidy and Capital Grants of \$3,633,042 for the year ended December 31, 2012 as compared to \$4,017,125 in the prior year.

Expenses

- Total operating expenses decreased \$176,465 in 2012 from \$5,159,212 to \$4,982,747. This decrease was a result of decreases in utilities, routine maintenance and operation costs and housing assistance payments in the Housing Choice Voucher Program.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued SEPTEMBER 30, 2012

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 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 Revenue, Expenses and Changes in Net Assets - Proprietary Fund. 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, 2012.

Financial Analysis

The Housing Authority accounts for its housing activities in three (3) programs. The Housing Authority has a low rent 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 HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2012

Financial Analysis—Continued

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, 2012, the Authority received approximately \$3.2 million in Operating Subsidy funds.

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, 2012, the Authority received approximately \$806,000 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, 2012, 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, 2012**

	2012	2011	Increase (Decrease)
<u>Assets</u>			
Current assets	\$ 594,086	\$ 704,784	\$ (110,698)
Capital assets, net of depreciation	<u>8,573,715</u>	<u>8,881,859</u>	<u>(308,144)</u>
Total assets	<u>\$ 9,167,801</u>	<u>\$ 9,586,643</u>	<u>\$ (418,842)</u>
<u>Liabilities</u>			
Current liabilities	\$ 132,775	\$ 108,456	\$ 24,319
Non-current liabilities	<u>48,183</u>	<u>49,563</u>	<u>(1,380)</u>
Total liabilities	<u>180,958</u>	<u>158,019</u>	<u>22,939</u>
<u>Net Assets</u>			
Invested in capital assets	8,573,715	8,881,859	\$ (308,144)
Unrestricted net assets	133,981	263,660	(129,679)
Restricted net assets	<u>279,147</u>	<u>283,105</u>	<u>(3,958)</u>
Total net assets	<u>8,986,843</u>	<u>9,428,624</u>	<u>(441,781)</u>
Total liabilities and net assets	<u>\$ 9,167,801</u>	<u>\$ 9,586,643</u>	<u>\$ (418,842)</u>

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2012

Financial Analysis—Continued

- A current asset is an asset on the Statement of Net Assets 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.
- A capital asset is an asset that is recorded on a Statement of Net Assets 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 \$731,535.
- Liabilities consist of obligations the Housing Authority owes and is classified as current (usually due within one year) and non-current. Current and non-current liabilities increased as a result of accrued retirement contributions at year end.
- Total net assets decreased by \$441,781. This decrease is the residual effect of the interactions of decrease revenues and expenditures during the current fiscal year which has been explained elsewhere in the MD&A.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2012

Financial Analysis—Continued

**Changes in Net Assets
For the year ended September 30, 2012**

	2012	2011	Increase (Decrease)
<u>Revenues</u>			
Total tenant revenues	\$ 831,937	\$ 791,176	\$ 40,761
Operating subsidies	3,226,421	3,502,557	(276,136)
Capital grants	406,621	514,568	(107,947)
Investment income	13,036	463	
Other revenues	119,347	66,834	12,573
	<u>4,597,362</u>	<u>4,875,598</u>	<u>52,513</u>
Total revenue	<u>\$ 4,597,362</u>	<u>\$ 4,875,598</u>	<u>\$ (278,236)</u>
<u>Expenses</u>			
Administrative	\$ 985,429	\$ 847,673	\$ 137,756
Tenant services	32,671	32,304	367
Utilities	663,369	692,192	(28,823)
Maintenance and operations	615,471	631,253	(15,782)
General expenses	297,668	446,240	(148,572)
Depreciation	731,535	781,947	(50,412)
Housing assistance payments	1,656,604	1,727,603	(72,257)
Total operating expense	<u>\$ 4,982,747</u>	<u>\$ 5,159,212</u>	<u>\$ (177,723)</u>
Extraordinary item, net gain (loss)	<u>\$ (56,396)</u>	<u>\$ 182,591</u>	<u>\$ (238,987)</u>
Decrease in net assets	<u>\$ (441,781)</u>	<u>\$ (101,023)</u>	<u>\$ (340,758)</u>

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2012

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 \$40,761, mostly due to fluctuations in leasing activities and changing monthly rent charges for various tenants.
- Routine maintenance decreased by \$15,782 due to decreases in overall material purchases and contract costs.
- Extraordinary gain (loss) decreased due to insurance proceeds received in a prior year regarding the casualty loss due to a fire.

Capital Assets at year-end

	2012	2011	Increase (Decrease)
Land	\$ 365,272	\$ 365,272	\$ -
Buildings	22,235,839	21,975,297	260,542
Furniture & equipment-dwelling	323,893	1,203,085	(879,192)
Furniture & equipment-admin.	483,447	474,315	9,132
Subtotal	<u>23,408,451</u>	<u>24,017,969</u>	<u>(609,518)</u>
Accumulated depreciation	<u>(14,834,736)</u>	<u>(15,136,110)</u>	<u>301,374</u>
Net capital assets	<u>\$ 8,573,715</u>	<u>\$ 8,881,859</u>	<u>\$ (308,144)</u>

Capital Assets

- At September 30, 2012, the Housing Authority had \$8,573,715 invested in net capital assets. This amount represents a net decrease of \$308,144.
- 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 HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) —Continued
SEPTEMBER 30, 2012

List of Major Improvements:

During fiscal year 2012 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 \$406,621 in funding used for capital projects.

Debt:

At September 30, 2012 the Housing Authority had non-current liabilities of \$48,183. This amount reflects the accrued liability of the Housing Authority for compensated absences. The Housing Authority does 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 as well as the recent sequestration in funding across all areas of federal spending. 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 Kirk D. Mann, Executive Director, or John L. Elliott, CPA, Controller at the Housing Authority of the City of Jeffersonville, IN 47130, telephone number (812) 283-3553.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

STATEMENT OF NET ASSETS - PROPRIETARY FUND
September 30, 2012

ASSETS

CURRENT ASSETS

Cash - unrestricted	\$	319,246
Cash - restricted		133,981
Cash - tenant security deposits		50,331
Accounts receivable - miscellaneous		30,350
Accounts receivable - tenants, net		25,751
Prepaid expenses		27,655
Inventories		6,772

TOTAL CURRENT ASSETS 594,086

CAPITAL ASSETS

Land		365,272
Buildings		22,235,839
Furniture, equipment and machinery - dwellings		323,893
Furniture, equipment and machinery - administration		483,447
		23,408,451
Less accumulated depreciation		(14,834,736)

CAPITAL ASSETS, NET 8,573,715

TOTAL ASSETS \$ 9,167,801

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	1,023
Accrued wages and payroll taxes		20,060
Accrued compensated absences - current portion		2,301
Tenant security deposits		50,331
Other current liabilities		59,060

TOTAL CURRENT LIABILITIES 132,775

NON CURRENT LIABILITIES

Accrued compensated absences, net of current portion		48,183
--	--	--------

TOTAL NON CURRENT LIABILITIES 48,183

TOTAL LIABILITIES 180,958

NET ASSETS

Invested in capital assets		8,573,715
Unrestricted net assets		279,147
Restricted net assets		133,981

TOTAL NET ASSETS 8,986,843

TOTAL LIABILITIES AND NET ASSETS \$ 9,167,801

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, 2012

OPERATING REVENUE	
Tenant revenue	\$ 831,937
HUD PHA operating grants	3,226,421
Fraud recovery	13,765
Other revenue	<u>105,582</u>
TOTAL OPERATING REVENUE	<u>4,177,705</u>
OPERATING EXPENSES	
Administrative	985,429
Tenant services	32,671
Utilities	663,369
Ordinary maintenance and operations	615,471
Insurance premiums	116,673
Other general expenses	180,995
Housing assistance payments	1,656,604
Depreciation expense	<u>731,535</u>
TOTAL OPERATING EXPENSES	<u>4,982,747</u>
Net operating loss	<u>(805,042)</u>
NONOPERATING REVENUE	
Interest income	<u>13,036</u>
TOTAL NONOPERATING REVENUE	<u>13,036</u>
Net loss before extraordinary loss and capital fund grants	(792,006)
Extraordinary loss - net insurance income for fire damaged units	<u>(56,396)</u>
Net loss before capital fund grants	(848,402)
Capital fund grants	<u>406,621</u>
CHANGE IN NET ASSETS	(441,781)
NET ASSETS, BEGINNING OF YEAR	<u>9,428,624</u>
NET ASSETS, END OF YEAR	<u>\$ 8,986,843</u>

See notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE

Jeffersonville, Indiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

for the year ended September 30, 2012

OPERATING ACTIVITIES

Cash received from tenants	\$ 831,012
Cash received from HUD operating grants	3,226,421
Other cash received	119,347
Housing assistance payments	(1,656,604)
Payments to employees and suppliers	<u>(2,574,236)</u>
Net cash used by operating activities	<u>(54,060)</u>

INVESTING ACTIVITIES

Interest income earned	<u>13,036</u>
Cash provided by investing activities	<u>13,036</u>

CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grant receipts	406,621
Purchase of capital assets	(423,397)
Net insurance proceeds for fire damaged units	<u>17,717</u>
Net cash provided by capital and related financing activities	<u>941</u>

Net decrease in cash (40,083)

OPERATING CASH

Beginning of year	<u>543,641</u>
End of year	<u>\$ 503,558</u>

OPERATING ACTIVITIES

Net operating loss	\$ (805,042)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation expense	731,535
(Increase) decrease in:	
Accounts receivable - tenants	(3,344)
Prepaid expenses	379
Inventories	(527)
Increase (decrease) in:	
Accounts payable	(22,548)
Accrued wages and payroll taxes	5,284
Accrued compensated absences	(2,279)
Tenant security deposits	2,419
Other current liabilities	<u>40,063</u>
Net cash used by operating activities	<u>\$ (54,060)</u>

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

Cash - unrestricted	\$ 319,246
Cash - restricted	133,981
Cash - tenant security deposits	<u>50,331</u>
	<u>\$ 503,558</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. 23-4	<u>101</u>
	<u>369</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 Authority 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, 2012.

Allowance for Doubtful Accounts

The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. The allowance for doubtful accounts was \$900 for accounts receivable – tenants at September 30, 2012. Management believes all other accounts receivable as of September 30, 2012 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

Capital Assets

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

Depreciation is provided on the basis of the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 10 - 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 19, 2013, 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, 2012, 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 \$503,557 at September 30, 2012. The bank balances before reconciling items was \$622,543 at September 30, 2012.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—CAPITAL ASSETS

The following is the detail of capital asset transactions during the year ended September 30, 2012:

	Balance <u>9/30/11</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>9/30/12</u>
Land	\$ 365,272	\$ -	\$ -	\$ 365,272
Buildings	21,975,297	260,542	-	22,235,839
Furniture, equipment and machinery-dwellings	1,203,085	153,723	(1,032,915)	323,893
Furniture, equipment and machinery-administration	<u>474,315</u>	<u>9,132</u>	<u>-</u>	<u>483,447</u>
	24,017,969	423,397	(1,032,915)	23,408,451
Less Accumulated Depreciation	<u>(15,136,116)</u>	<u>(731,535)</u>	<u>1,032,915</u>	<u>(14,834,736)</u>
	<u>\$ 8,881,853</u>	<u>\$ (308,138)</u>	<u>\$ -</u>	<u>\$ 8,573,715</u>

Total depreciation expense for the year ended September 30, 2012 was \$731,535.

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 \$133,981 as restricted net assets and restricted cash at September 30, 2012 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, 2012, a liability of \$50,484 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, 2012, contributions by the Authority were \$98,653 based upon \$739,636 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, for \$13,650 per year. 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, 2012, the capitalized value of the building leased to the Parks Authority was \$1,344,710 and the related accumulated depreciation was \$415,292. For the year ended September 30, 2012, depreciation expense on the building leased to the Parks Authority was \$38,750.

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

Year ending <u>September 30,</u>	
2013	\$ 13,651
2014	13,651
2015	13,651
2016	<u>5,688</u>
Total future minimum rental receipts	<u>\$ 46,641</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 LOSS

During the year ended September 30, 2012, the Authority incurred expenses for the repair of three public housing units which had been damaged by fire in prior years. The fire damage did not cause a complete loss to any of the units and the repairs did not materially alter the book value of any of the units; therefore, the repair costs were netted against the related insurance proceeds received during the year ended September 30, 2012. This resulted in an extraordinary loss of \$56,396 which has been included in the Statement of Revenue, Expenses, and Changes in Net Assets – Proprietary Fund.

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, the Authority could suffer losses 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, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:		
Low Rent Public Housing	14.850	\$ 1,211,067
Section 8 Housing Choice Vouchers	14.871	1,615,564
Public Housing Capital Fund	14.872	<u>806,411</u>
Total Expenditures of Federal Awards		<u>\$ 3,633,042</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.

INDEPENDENT AUDITOR'S 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, 2012, and have issued our report thereon dated June 19, 2013. 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 previously.

Compliance and Other Matters

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

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

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

Jeffersonville, Indiana
June 19, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Housing Authority of
the City of 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, 2012. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination 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, 2012. 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 2012-01, 2012-02, and 2012-03.

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 2012-01, 2012-02, and 2012-03. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the 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 19, 2013

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

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

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditors' Report Issued: Unqualified

Internal Control over Financial Reporting:
Material Weakness(es) Identified? ___yes x no
Significant Deficiency(ies) identified not Considered to
be Material Weaknesses? ___yes x none reported

Noncompliance Material to Financial Statements Noted? ___yes x no

Federal Awards

Internal Control over Major Programs:
Material Weakness(es) Identified? ___yes x no
Significant Deficiency(ies) Identified that are not
Considered to be Material Weakness(es)? x yes ___ none reported

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

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.850	Low Rent Public Housing	\$ 1,211,067
14.872	Public Housing Capital Fund	\$ 806,411

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

Auditee qualified as low-risk auditee? ___yes x no

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, 2012

C. FINDINGS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

FINDING 2012-01 – Public Housing Asset Management Fees – Significant Deficiency

Low Rent Public Housing Program (CFDA #14.850)

Condition:

Asset management fees originally charged to AMP 2 by the COCC were not in compliance with fee reasonableness guidelines set by HUD.

Criteria:

All asset management fees charged to AMPs by the COCC must be in compliance with fee reasonableness guidelines set by HUD.

Effect:

Without recording an adjustment, AMP funds would have been improperly transferred to the COCC and de-federalized.

Cause:

AMP 2 had negative excess cash at September 30, 2011, and thus, was not eligible to be charged asset management fees during the year ended September 30, 2012. The Authority did not have controls in place to ensure asset management fees were not charged to that AMP.

Questioned Costs:

There were no questioned costs.

Recommendation:

The Authority should implement additional controls to ensure all asset management fees charged to the AMPs by the COCC are in compliance with fee reasonableness guidelines set by HUD.

Response: In the prior year, the Authority misinterpreted the manner in which excess cash is calculated. The Authority is now following HUD guidelines and calculating excess cash at fiscal year-end for use in the charging of asset management fees in the new fiscal year.

Contact Person: Controller

Anticipated Date of Completion: Procedures to correct excess cash calculation were put into place in the fourth quarter of 2012, prior to charging any asset management fees for fiscal year end 9/30/13.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

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

FINDING 2012-02 – Public Housing File Testing – Significant Deficiency

Low Rent Public Housing Program (CFDA #14.850)

Condition:

Forty Low Rent Public Housing participant files were testing. The following deficiencies were noted:

- Two (2) participants files did not contain documentation to support income amounts used in the form HUD-50058 rent calculation;
- Seven (7) participants were out of compliance with the community service requirements. Documentation could not be provided to show that the Authority performed sufficient follow-up procedures with those participants.
- No documentation could be provided to show a move-out inspection was performed for four (4) participants out of sixteen (16) participants tested,

Criteria:

HUD regulations require the Authority to maintain documentation to support all income amounts used in the HUD-50058 rent calculation forms. HUD regulations require the Authority to perform a move-out inspection each time a unit is vacated by a participant. HUD regulations require nonexempt tenants to complete 8 hours of community service each month. The Authority is required to monitor the tenant's compliance with this requirement and perform follow-up procedures when the tenant is not in compliance.

Effect:

The Authority was not in compliance with various HUD regulations.

Questioned Costs:

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

Recommendation:

Controls should be strengthened to ensure documentation is maintained for all amounts used in the form HUD-50058 rent calculations, move-out inspections are performed whenever a tenant vacates a unit, and compliance with community service requirements is monitored. Further, we recommend the Authority designate an employee to perform a comprehensive review of a sample of files periodically to ensure all compliance requirements have been met.

Response: The Authority has put in procedures to ensure that move-out inspections are performed whenever a tenant vacates a unit and verified by the Superintendent of Maintenance. Procedures for periodic file reviews have been implemented to verify required documentation and support is contained in participant files.

Contact Person: Superintendent of Maintenance and Housing Manager

Anticipated Date of Completion: In January of 2013, controls were implemented to correct the inconsistencies in move out inspections and maintenance of participant files.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

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

FINDING 2012-03 – Davis-Bacon Wages – Significant Deficiency

Public Housing Capital Fund Program (CFDA #14.872)

Condition:

For four construction projects under which work was performed during the year ended September 30, 2012, improper Davis-Bacon wage rate schedules were used. For three of those projects outdated rate schedules were used. For one of the projects a residential wage rate schedule was used when a building wage rate schedule should have been used since the work was performed on a high-rise apartment building.

Criteria:

For all capital fund construction projects the Authority is required to communicate the correct Davis-Bacon wage rate schedule to all bidders on the project. All subcontract employees who work on the project are then required to be paid wage rates that are equal to or greater than the rates shown on the Davis-Bacon wage rate schedule.

Effect:

Improper wage rates were paid to subcontract employees as a result of outdated or incorrect Davis-Bacon wage rate schedules being communicated in the contract bid documents.

Questioned Costs:

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

Recommendation:

Controls should be implemented to ensure current and accurate Davis-Bacon wage decision schedules are shown in all capital fund construction project bid documents.

Response: The Authority has put in controls to ensure all contract files are reviewed and the proper Davis-Bacon wage decision schedules are included.

Contact Person: Capital Fund Coordinator

Anticipated Date of Completion: In October 2012, controls were enacted to review all contract files for proper wage rate decision.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

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

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.

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.

Status:

No instances of subcontractor employees being paid less than the Davis-Bacon wage rate schedules included in the contract documents were noted based upon follow-up testing during the year ended September 30, 2012. However, incorrect Davis-Bacon wage rate schedules were included in the contract documents for four construction projects under which work was performed during the year ended September 30, 2012. This condition has been reported as Finding 2012-03.

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, 2012. 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, 2012.

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.

Status:

Initial move-in unit inspections were properly performed for all sixteen participants tested for the year ended September 30, 2012. However, no documentation could be provided to show that move-out inspections were performed for four out of sixteen move-outs tested. This condition has been reported as part of Finding 2012-02.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

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

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.

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.

Status:

No instances of applicants being added to, or selected from, the wait list in an improper order were noted during testing for the year ended September 30, 2012.

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."

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.

Status:

Unit months for that employee were properly shown on line number 02 "Occupied dwelling units – by PHA employee, police officer, or other security personnel who is not otherwise eligible for public housing" in the Operating Fund Calculation of Operating Subsidy form that was filed during the year ended September 30, 2012.

THE HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
Jeffersonville, Indiana

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

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.

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.

Status:

The Authority implemented necessary controls during the year ended September 30, 2012 to ensure centralized maintenance functions were charged based upon a fee for service approach.



702 North Shore Drive, Suite 500
Jeffersonville, IN 47130

812.288.6621 PHONE
812.288.2885 FAX

mnccpa.com

MEMBER PKF North America | PKF International Limited | AICPA PCPS Division
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 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 Authority as of and for the year ended September 30, 2012, and have issued our reports thereon dated June 19, 2013. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule (FDS) dated June 19, 2013, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the financial statement package required by OMB Circular A-133, which includes the 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.

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

Jeffersonville, Indiana
June 28, 2013

**Attachment to Independent Accountant's Report
on Applying Agreed-Upon Procedure**

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

Housing Authority of the City of Jeffersonville (IN023)

Jeffersonville, Indiana

Entity Wide Balance Sheet Summary

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

	Project Total	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$ 266,910	\$ 48,462	\$ 3,874	\$ 319,246		\$ 319,246
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		133,981		133,981		133,981
114 Cash - Tenant Security Deposits	50,331			50,331		50,331
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	317,241	182,443	3,874	503,558	-	503,558
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous	30,350			30,350		30,350
126 Accounts Receivable - Tenants	26,651			26,651		26,651
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						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	56,101	-	-	56,101	-	56,101
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	22,747		4,908	27,655		27,655
143 Inventories	6,772			6,772		6,772
143.1 Allowance for Obsolete Inventories	-			-		-
144 Inter Program Due From			5,028	5,028	(5,028)	-
145 Assets Held for Sale						
150 Total Current Assets	402,861	182,443	13,810	599,114	(5,028)	594,086

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
Entity Wide Balance Sheet Summary

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

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
161 Land	365,272			365,272		365,272
162 Buildings	22,235,839			22,235,839		22,235,839
163 Furniture, Equipment & Machinery - Dwellings	323,893			323,893		323,893
164 Furniture, Equipment & Machinery - Administration			483,447	483,447		483,447
165 Leasehold Improvements						
166 Accumulated Depreciation	(14,385,667)		(449,069)	(14,834,736)		(14,834,736)
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	8,539,337	-	34,378	8,573,715	-	8,573,715
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	8,539,337	-	34,378	8,573,715	-	8,573,715
190 Total Assets	8,942,198	182,443	48,188	9,172,829	(5,028)	9,167,801
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	-		1,023	1,023		1,023
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	10,188	2,240	7,632	20,060		20,060
322 Accrued Compensated Absences - Current Portion	1,569	438	294	2,301		2,301
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs		1,741		1,741		1,741
332 Account Payable - PHA Projects						

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
Entity Wide Balance Sheet Summary

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

	Project Total	14.871 Housing Choice Vouchers	COC	Subtotal	ELIM	Total
333 Accounts Payable - Other Government						
341 Tenant Security Deposits	50,331			50,331		50,331
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	32,663	100		32,763		32,763
346 Accrued Liabilities - Other	18,725		5,831	24,556		24,556
347 Inter Program - Due To		5,028		5,028	(5,028)	-
348 Loan Liability - Current						
310 Total Current Liabilities	113,476	9,547	14,780	137,803	(5,028)	132,775
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	32,854	9,179	6,150	48,183		48,183
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	32,854	9,179	6,150	48,183	-	48,183
300 Total Liabilities	146,330	18,726	20,930	185,986	(5,028)	180,958
508.1 Invested In Capital Assets, Net of Related Debt	8,539,337		34,378	8,573,715		8,573,715
511.1 Restricted Net Assets	-	133,981		133,981		133,981
512.1 Unrestricted Net Assets	256,531	29,736	(7,120)	279,147		279,147
513 Total Equity/Net Assets	8,795,868	163,717	27,258	8,986,843	-	8,986,843
600 Total Liabilities and Equity/Net Assets	8,942,198	182,443	48,188	9,172,829	(5,028)	9,167,801

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Entity Wide Revenue and Expense Summary

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

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$ 787,641	\$ -	\$ -	\$ 787,641	\$ -	\$ 787,641
70400 Tenant Revenue - Other	44,296			44,296		44,296
70500 Total Tenant Revenue	831,937	-	-	831,937	-	831,937
70600 HUD PHA Operating Grants	1,610,857	1,615,564		3,226,421		3,226,421
70610 Capital Grants	406,621			406,621		406,621
70710 Management Fee			327,159	327,159	(327,159)	-
70720 Asset Management Fee			15,120	15,120	(15,120)	-
70730 Book Keeping Fee			41,043	41,043	(41,043)	-
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue			383,322	383,322	(383,322)	-
70800 Other Government Grants						
71100 Investment Income - Unrestricted	11,891	37	1,071	12,999		12,999
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery		13,765		13,765		13,765
71500 Other Revenue	25,152	77,195	3,235	105,582		105,582
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted		37		37		37
70000 Total Revenue	2,886,458	1,706,598	387,628	4,980,684	(383,322)	4,597,362
91100 Administrative Salaries	182,277	117,642	155,545	455,464		455,464
91200 Auditing Fees	10,000			10,000		10,000
91300 Management Fee	311,691	15,468		327,159	(327,159)	-
91310 Book-keeping Fee	31,563	9,480		41,043	(41,043)	-
91400 Advertising and Marketing			1,691	1,691		1,691
91500 Employee Benefit contributions - Administrative	259,943	68,414	86,540	414,897		414,897
91600 Office Expenses	6,468	1,558	76,479	84,505		84,505
91700 Legal Expense	17,917			17,917		17,917

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Entity Wide Revenue and Expense Summary

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

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
91800 Travel	375		580	955		955
91810 Allocated Overhead						
91900 Other						
91000 Total Operating - Administrative	820,234	212,562	320,835	1,353,631	(368,202)	985,429
92000 Asset Management Fee	15,120			15,120	(15,120)	-
92100 Tenant Services - Salaries	23,500			23,500		23,500
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	9,171			9,171		9,171
92500 Total Tenant Services	32,671	-	-	32,671	-	32,671
93100 Water	79,497		415	79,912		79,912
93200 Electricity	281,210		7,894	289,104		289,104
93300 Gas	154,596		1,383	155,979		155,979
93400 Fuel						
93500 Labor						
93600 Sewer	137,650		724	138,374		138,374
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	652,953	-	10,416	663,369	-	663,369
94100 Ordinary Maintenance and Operations - Labor	293,920		19,032	312,952		312,952
94200 Ordinary Maintenance and Operations - Materials and Other	150,465		5,794	156,259		156,259
94300 Ordinary Maintenance and Operations Contracts	91,414		15,493	106,907		106,907
94500 Employee Benefit Contributions - Ordinary Maintenance	39,353			39,353		39,353
94000 Total Maintenance	575,152	-	40,319	615,471	-	615,471
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Entity Wide Revenue and Expense Summary

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

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
95000 Total Protective Services	-	-	-	-	-	-
96110 Property Insurance						
96120 Liability Insurance	96,062		9,515	105,577		105,577
96130 Workmen's Compensation						
96140 All Other Insurance	9,031		2,065	11,096		11,096
96100 Total insurance Premiums	105,093	-	11,580	116,673	-	116,673
96200 Other General Expenses	133,656		12,106	145,762		145,762
96210 Compensated Absences	2,040	(684)	(3,636)	(2,280)		(2,280)
96300 Payments in Lieu of Taxes	16,985			16,985		16,985
96400 Bad debt - Tenant Rents	20,528			20,528		20,528
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	173,209	(684)	8,470	180,995	-	180,995
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	-
96900 Total Operating Expenses	2,374,432	211,878	391,620	2,977,930	(383,322)	2,594,608
97000 Excess of Operating Revenue over Operating Expenses	512,026	1,494,720	(3,992)	2,002,754	-	2,002,754
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		1,589,513		1,589,513		1,589,513
97350 HAP Portability-In		67,091		67,091		67,091
97400 Depreciation Expense	683,951		47,584	731,535		731,535
97500 Fraud Losses						

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Entity Wide Revenue and Expense Summary

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

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	3,058,383	1,868,482	439,204	5,366,069	(383,322)	4,982,747
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	(56,396)			(56,396)		(56,396)
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)	(56,396)	-	-	(56,396)	-	(56,396)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(228,321)	(161,884)	(51,576)	(441,781)	-	(441,781)
11020 Required Annual Debt Principal Payments	-	-	-	-		-
11030 Beginning Equity	9,024,189	325,601	78,834	9,428,624		9,428,624
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-		-	-		-
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity		29,736		29,736		29,736
11180 Housing Assistance Payments Equity		133,981		133,981		133,981

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Entity Wide Revenue and Expense Summary

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

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
11190 Unit Months Available	4,428	4,920		9,348		9,348
11210 Number of Unit Months Leased	4,208	4,090		8,298		8,298
11270 Excess Cash	61,997			61,997		61,997
11610 Land Purchases	-		-	-		-
11620 Building Purchases	252,898		-	252,898		252,898
11630 Furniture & Equipment - Dwelling Purchases	153,723		-	153,723		153,723
11640 Furniture & Equipment - Administrative Purchases	-		9,132	9,132		9,132
11650 Leasehold Improvements Purchases	-		-	-		-
11660 Infrastructure Purchases	-		-	-		-
13510 CFFP Debt Service Payments	-		-	-		-
13901 Replacement Housing Factor Funds	-		-	-		-

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
Project Balance Sheet Summary

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

	IN023100000	IN023200000	Total
111 Cash - Unrestricted	\$ 35,877	\$ 231,033	\$ 266,910
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	16,168	34,163	50,331
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	52,045	265,196	317,241
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous	30,350		30,350
126 Accounts Receivable - Tenants	23,470	3,181	26,651
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	53,320	2,781	56,101
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	8,665	14,082	22,747
143 Inventories	2,709	4,063	6,772
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	116,739	286,122	402,861
161 Land	124,192	241,080	365,272
162 Buildings	7,598,238	14,637,601	22,235,839
163 Furniture, Equipment & Machinery - Dwellings	148,569	175,324	323,893
164 Furniture, Equipment & Machinery - Administration			
165 Leasehold Improvements			
166 Accumulated Depreciation	(4,761,202)	(9,624,465)	(14,385,667)
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	3,109,797	5,429,540	8,539,337
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	3,109,797	5,429,540	8,539,337
190 Total Assets	3,226,536	5,715,662	8,942,198

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Project Balance Sheet Summary

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

	IN023100000	IN023200000	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	-		-
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	4,223	5,965	10,188
322 Accrued Compensated Absences - Current Portion	742	827	1,569
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	16,168	34,163	50,331
342 Deferred Revenues			
343 Current Portion of Long-term Debt - Capital Projects/Mortgage			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities	3,618	29,045	32,663
346 Accrued Liabilities - Other	6,712	12,013	18,725
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	31,463	82,013	113,476
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	15,532	17,322	32,854
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	15,532	17,322	32,854
300 Total Liabilities	46,996	99,335	146,330
508.1 Invested In Capital Assets, Net of Related Debt	3,109,797	5,429,540	8,539,337
511.1 Restricted Net Assets			-
512.1 Unrestricted Net Assets	69,744	186,787	256,531
513 Total Equity/Net Assets	3,179,541	5,616,327	8,795,868
600 Total Liabilities and Equity/Net Assets	3,226,536	5,715,662	8,942,198

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Project Revenue and Expense Summary

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

	IN023100000	IN023200000	Total
70300 Net Tenant Rental Revenue	\$ 277,507	\$ 510,134	\$ 787,641
70400 Tenant Revenue - Other	19,641	24,655	44,296
70500 Total Tenant Revenue	297,148	534,789	831,937
70600 HUD PHA Operating Grants	716,831	894,026	1,610,857
70610 Capital Grants	110,565	296,056	406,621
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	4,249	7,642	11,891
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	4,945	20,207	25,152
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	1,133,738	1,752,720	2,886,458
91100 Administrative Salaries	80,710	101,567	182,277
91200 Auditing Fees	4,000	6,000	10,000
91300 Management Fee	123,841	187,850	311,691
91310 Book-keeping Fee	10,547	21,016	31,563
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	112,977	146,966	259,943
91600 Office Expenses	2,082	4,386	6,468
91700 Legal Expense	7,377	10,540	17,917
91800 Travel		375	375
91810 Allocated Overhead			
91900 Other			
91000 Total Operating - Administrative	341,534	478,700	820,234
92000 Asset Management Fee	15,120	-	15,120
92100 Tenant Services - Salaries		23,500	23,500
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	3,396	5,775	9,171
92500 Total Tenant Services	3,396	29,275	32,671
93100 Water	17,771	61,726	79,497
93200 Electricity	135,470	145,740	281,210
93300 Gas	62,159	92,437	154,596
93400 Fuel			
93500 Labor			
93600 Sewer	36,437	101,213	137,650
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	251,837	401,116	652,953

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Project Revenue and Expense Summary

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

	IN023100000	IN023200000	Total
94100 Ordinary Maintenance and Operations - Labor	139,393	154,527	293,920
94200 Ordinary Maintenance and Operations - Materials and Other	64,652	85,813	150,465
94300 Ordinary Maintenance and Operations Contracts	20,404	71,010	91,414
94500 Employee Benefit Contributions - Ordinary Maintenance	19,072	20,281	39,353
94000 Total Maintenance	243,521	331,631	575,152
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	37,536	58,526	96,062
96130 Workmen's Compensation			
96140 All Other Insurance	3,790	5,241	9,031
96100 Total insurance Premiums	41,326	63,767	105,093
96200 Other General Expenses	66,397	67,259	133,656
96210 Compensated Absences	1,562	478	2,040
96300 Payments in Lieu of Taxes	3,618	13,367	16,985
96400 Bad debt - Tenant Rents	9,881	10,647	20,528
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	81,458	91,751	173,209
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	-	-	-
96900 Total Operating Expenses	978,192	1,396,240	2,374,432
97000 Excess of Operating Revenue over Operating Expenses	155,546	356,480	512,026
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	236,495	447,456	683,951
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	1,214,687	1,843,696	3,058,383

Housing Authority of the City of Jeffersonville (IN023)
 Jeffersonville, Indiana
 Project Revenue and Expense Summary

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

	IN023100000	IN023200000	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	(2,951)	(53,445)	(56,396)
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)	(2,951)	(53,445)	(56,396)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(83,900)	(144,421)	(228,321)
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	3,342,441	5,681,748	9,024,189
11040 Prior Period Adjustments, Equity Transfers and Correction of	(79,000)	79,000	-
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1,512	2,916	4,428
11210 Number of Unit Months Leased	1,406	2,802	4,208
11270 Excess Cash	(7,614)	69,611	61,997
11610 Land Purchases	-	-	-
11620 Building Purchases	78,446	174,452	252,898
11630 Furniture & Equipment - Dwelling Purchases	32,119	121,604	153,723
11640 Furniture & Equipment - Administrative Purchases	-	-	-
11650 Leasehold Improvements Purchases	-	-	-
11660 Infrastructure Purchases	-	-	-
13510 CFFP Debt Service Payments	-	-	-
13901 Replacement Housing Factor Funds	-	-	-