



STATE OF INDIANA
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March 23, 2016

Board of Commissioners
Charlestown Housing Authority
200 Jennings Street
Charlestown, IN 47111

We have reviewed the audit report prepared by Mountjoy Chilton Medley, LLP, Independent Public Accountants, for the period October 1, 2012 to September 30, 2013. 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 Charlestown Housing Authority, as of September 30, 2013 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

Housing Authority of the City of Charlestown

**Report on Audit of Financial Statements
and Supplementary Information**

Year Ended September 30, 2013

Housing Authority of the City of Charlestown

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Housing Authority of the City of Charlestown (the "Authority") as of and for the year ended September 30, 2013, and the related notes to the financial statement, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2013, and its changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis, and is not a required part of the financial statements. In addition, the financial data schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and 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* in considering the Authority's internal control over financial reporting and compliance.



Jeffersonville, Indiana
June 26, 2014

**Housing Authority of the City of Charlestown
Management's Discussion and Analysis
September 30, 2013**

As management of the Housing Authority of the City of Charlestown (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2013.

Financial Highlights

- Net position of the Authority increased \$107,452 as of September 30, 2013 from the prior year.
- Operating revenue of the Authority increased by \$62,566 from prior year results.
- The Authority's cash and cash equivalent balance at September 30, 2013 was \$1,271,579, representing a decrease of \$71,680 from September 30, 2012.
- The Authority purchased capital assets totaling \$403,033 during the fiscal year ended September 30, 2013.

Overview of the Authority

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

A seven-member Board of Commissioners governs the Authority.

Overview of the Financial Statements

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

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

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

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

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

**Housing Authority of the City of Charlestown
Management's Discussion and Analysis (Continued)
September 30, 2013**

An Overview of the Authority-Wide Financial Position and Operations

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

*The Housing Authority of the City of Charlestown
Statement of Net Position*

	2013	2012	Increase/Decrease	
			Amount	Percentage
Current assets	\$ 2,709,184	\$ 2,729,783	\$ (20,599)	-0.8%
Capital assets, net	5,508,255	5,480,604	27,651	0.5%
Total Assets	8,217,439	8,210,387	7,052	0.1%
Current liabilities	210,778	308,706	(97,928)	-31.7%
Noncurrent liabilities	54,564	57,036	(2,472)	-4.3%
Total Liabilities	265,342	365,742	(100,400)	-27.5%
Net Position				
Net investment in capital assets	5,508,255	5,480,604	27,651	0.5%
Unrestricted net position	2,434,235	2,338,624	95,611	4.1%
Restricted net position	9,607	25,417	(15,810)	-62.2%
Total Net Position	\$ 7,952,097	\$ 7,844,645	\$ 107,452	1.4%

The Authority's total assets at September 30, 2013 were \$8,217,439, an increase of approximately \$7,000, or 0.1%, from September 30, 2012. The change in total assets consisted primarily of an increase due to purchase of equipment and capital asset improvement projects.

Cash and Certificates of Deposit

Total cash and certificates of deposit increased by approximately \$70,000 or 2.8% as of September 30, 2013 compared to September 30, 2012.

Accounts Receivable

Total accounts receivable due from tenants and from HUD decreased by approximately \$98,000 as of September 30, 2013 compared to September 30, 2012. This decrease primarily resulted from no amounts due from HUD as of September 30, 2013 compared to amounts due from HUD (capital fund) of approximately \$98,000 as of September 30, 2012.

**Housing Authority of the City of Charlestown
Management's Discussion and Analysis (Continued)
September 30, 2013**

An Overview of the Authority-Wide Financial Position and Operations (Continued)

Capital Assets

The Authority purchased approximately \$400,000 of capital assets, which consisted primarily of capital improvements to the Authority's public housing units.

Accounts Payable

Accounts payable decreased approximately \$98,000 from prior year. In prior year ended September 30, 2012, the Authority had payables to several vendors related to capital projects which they do not have as of September 30, 2013.

Long-term Debt

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

**Housing Authority of the City of Charlestown
Management's Discussion and Analysis (Continued)
September 30, 2013**

An Overview of the Authority-Wide Financial Position and Operations (Continued)

Net Position

The Authority's financial position increased, as net position increased by approximately \$107,000 during 2013.

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

*The Housing Authority of the City of Charlestown
Statement of Revenue, Expenses and Changes in Net Position*

	2013	2012	Increase/Decrease Amount	Percentage
Operating Revenue				
Tenant rental revenue	\$ 855,328	\$ 850,467	\$ 4,861	0.6%
HUD PHA grants	545,831	487,799	58,032	11.9%
Other revenue	25,516	25,843	(327)	-1.3%
Total Operating Revenue	1,426,675	1,364,109	62,566	4.6%
Operating Expenses				
Administration	334,254	378,697	(44,443)	-11.7%
Tenant service	8,081	9,078	(997)	-11.0%
Utilities	198,237	194,166	4,071	2.1%
Ordinary maintenance and operations	368,844	379,770	(10,926)	-2.9%
Protective services	26,000	26,000	-	0.0%
Insurance premiums	65,683	70,037	(4,354)	-6.2%
Other general expenses	74,052	74,678	(626)	-0.8%
Housing assistance payments	233,727	250,965	(17,238)	-6.9%
Depreciation	375,382	361,686	13,696	3.8%
Total Operating Expenses	1,684,260	1,745,077	(60,817)	-3.5%
Net Operating Loss	(257,585)	(380,968)	123,383	32.4%
Nonoperating Revenue				
Interest and investment revenue	7,447	12,607	(5,160)	-40.9%
Total Nonoperating Revenue	7,447	12,607	(5,160)	-40.9%
Net Loss before Capital Grant	(250,138)	(368,361)	118,223	32.1%
Capital Fund Grant	357,590	366,803	(9,213)	-2.5%
Change in Net Position	<u>\$ 107,452</u>	<u>\$ (1,558)</u>	<u>\$ 109,010</u>	-

**Housing Authority of the City of Charlestown
Management's Discussion and Analysis (Continued)
September 30, 2013**

Results of Operations

The change in net position for the year ended September 30, 2013 was \$107,452 compared to \$(1,558) for the year ended September 30, 2012. Revenues of the Authority's activities are generated principally from HUD operating subsidies and tenant rental receipts. In 2013, the Authority's revenues from its activities totaled \$1,791,712. Of this total, \$903,421, or 50.5%, was from HUD funding. Operating expense of the Authority's activities consist primarily of maintenance and operations, depreciation, administration and housing assistance payments. The total expenses are \$1,684,260, of which \$233,727, or 14.0%, were housing assistance payments.

HUD PHA Grants revenue increased by \$58,032 from 2012. In 2012, HUD reduced or eliminated Public Housing operating subsidy funding to housing authorities determined to have excess operating reserves. Due primarily to the Authority's level of cash and certificates of deposit and the level of unrestricted net assets in its Low Rent Public Housing Program, HUD did not provide the Authority with Public Housing operating subsidy funding for the 2012 calendar year. In the 2013 calendar year, HUD resumed providing this funding, resulting in an increase of grant revenues.

Capital Assets

At September 30, 2013, the Authority has approximately \$5.5 million invested in capital assets reflected in the following schedule, which represents an increase of \$27,651 (net of depreciation) from the preceding year.

	<u>2013</u>	<u>2012</u>
Land	\$ 1,296,639	\$ 1,296,639
Buildings	10,832,798	10,233,936
Furniture, equipment and machinery - dwellings	476,224	485,910
Furniture, equipment and machinery - administration	33,542	29,265
Construction in progress	-	<u>200,805</u>
Total Capital Assets	12,639,203	12,246,555
Less accumulated depreciation	<u>(7,130,948)</u>	<u>(6,765,951)</u>
Capital Assets, net	<u>\$ 5,508,255</u>	<u>\$ 5,480,604</u>

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

**Housing Authority of the City of Charlestown
Management's Discussion and Analysis (Continued)
September 30, 2013**

Request for Information

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

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

**Housing Authority of the City of Charlestown
Statement of Net Position
September 30, 2013**

Assets

Current Assets

Cash - unrestricted	\$	1,225,372
Cash - restricted		9,607
Cash - tenant security deposits		36,600
Certificates of deposit		1,387,276
Accounts receivable - tenants		4,574
Inventory - materials and supplies		3,308
Other assets		42,447

Total Current Assets 2,709,184

Capital Assets

Land		1,296,639
Buildings		10,832,798
Furniture, equipment and machinery - dwellings		476,224
Furniture, equipment and machinery - administration		33,542

Total Capital Assets 12,639,203

Less accumulated depreciation (7,130,948)

Capital Assets, Net 5,508,255

Total Assets 8,217,439

Deferred Outflows of Resources

-

Liabilities

Current Liabilities

Accounts payable		17,385
Accounts payable - HUD		152
Accounts payable - other government		66,404
Accrued compensated absences - current portion		81,846
Security deposits		36,600
Unearned revenue		8,391

Total Current Liabilities 210,778

Noncurrent Liabilities

Accrued compensated absences - noncurrent portion		54,564
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Total Liabilities 265,342

Deferred Inflows of Resources

-

Net Position

Net investment in capital assets		5,508,255
Unrestricted net position		2,434,235
Restricted net position		9,607

Total Net Position \$ 7,952,097

See accompanying notes.

**Housing Authority of the City of Charlestown
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended September 30, 2013**

Operating Revenue	
Tenant revenue	\$ 855,328
HUD PHA operating grants	545,831
Other revenue	<u>25,516</u>
Total Operating Revenue	1,426,675
Operating Expenses	
Administration	334,254
Tenant service	8,081
Utilities	198,237
Ordinary maintenance and operations	368,844
Protective services	26,000
Insurance premiums	65,683
Other general expenses	74,052
Housing assistance payments	233,727
Depreciation	<u>375,382</u>
Total Operating Expenses	1,684,260
Net Operating Loss	(257,585)
Nonoperating Revenue	
Interest and investment revenue	<u>7,447</u>
Net Loss Before Capital Grant	(250,138)
Capital Fund Grant	<u>357,590</u>
Change in Net Position	107,452
Net Position, Beginning of Year	<u>7,844,645</u>
Net Position, End of Year	<u><u>\$ 7,952,097</u></u>

See accompanying notes.

**Housing Authority of the City of Charlestown
Statement of Cash Flows
For the Year Ended September 30, 2013**

Operating Activities	
Cash received from tenants	\$ 858,603
HUD PHA grants received	545,983
Other cash received	25,516
Payments for administrative expenses	(331,976)
Payments for tenant service expenses	(8,081)
Payments for utilities	(195,908)
Payments for ordinary maintenance expenses	(379,186)
Payments for protective services	(26,000)
Payments for insurance premiums	(70,871)
Payments for other general expenses	(73,918)
Housing assistance payments	<u>(233,727)</u>
Net Cash Provided by Operating Activities	110,435
Investing Activities	
Interest earned	7,447
Purchase of certificates of deposit, net	<u>(759)</u>
Net Cash Provided by Investing Activities	6,688
Capital and Related Financing Activities	
Capital grant receipts	455,550
Purchase of capital assets	<u>(500,993)</u>
Net Cash Used for Capital and Related Financing Activities	(45,443)
Net Increase in Cash	71,680
Cash	
Beginning of Year	<u>1,199,899</u>
End of Year	<u>\$ 1,271,579</u> *
* Cash reconciliation as reported on the Statement of Net Position	
Cash - unrestricted	\$ 1,225,372
Cash - restricted	9,607
Cash - tenant security deposits	<u>36,600</u>
	<u>\$ 1,271,579</u>

See accompanying notes.

**Housing Authority of the City of Charlestown
Statement of Cash Flows (Continued)
For the Year Ended September 30, 2013**

Operating Activities	
Net Operating Loss	\$ (257,585)
Adjustments to reconcile net operating loss to net cash used for operating activities:	
Depreciation expense	375,382
Collection losses	7,648
(Increase) decrease in:	
Accounts receivable - HUD	97,960
Accounts receivable - tenants	(7,535)
Inventory - materials and supplies	153
Other assets	(5,188)
Increase (decrease) in:	
Accounts payable	(97,668)
Accounts payable - HUD	152
Accounts payable - other government	134
Accrued compensated absences	(6,180)
Security deposits	425
Unearned revenues	2,737
	<hr/>
Net Cash Provided by Operating Activities	<u><u>\$ 110,435</u></u>

See accompanying notes.

Housing Authority of the City of Charlestown
Notes to Financial Statements
September 30, 2013

Note A - Nature of Organization

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

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City and concluded that 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.

Funding for the Authority is primarily from HUD and from payments received from tenants of the Authority-owned housing. Under the Low Rent Housing Program, low income tenants pay a portion of the rental cost of public housing, based upon the income and need of the tenants. HUD funds the difference between the actual costs to operate the Low Rent Housing Program and the amounts paid by tenants through operating subsidies. These subsidy payments are made to or on behalf of the Authority under the terms and conditions of the annual contributions contract with HUD.

The Section 8 Housing Assistance Payments Program provides rental supplements to the owners of existing private housing who rent to qualifying individuals. The Authority processes all applicants for the Section 8 Housing Assistance Payments Program, places approved applicants in housing and pays the owner of the private housing a monthly rental supplement. Under the conditions of an annual contributions contract, HUD reimburses the Authority for the rental supplements and the administrative cost of managing the Program

Note B - Summary of Significant Accounting Policies

The accounting policies of the Authority conform to U.S. generally accepted accounting principles ("GAAP") as applicable to proprietary funds of governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Authority's accounting policies are described below:

1. Reporting Entity: The financial statements of the Authority have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.
2. Basis of Presentation: All of the Authority's programs are accounted for as one business-type activity (enterprise) 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.

Housing Authority of the City of Charlestown
Notes to Financial Statements (Continued)
September 30, 2013

Note B - Summary of Significant Accounting Policies (Continued)

2. Basis of Presentation (Continued): In accordance with GASB requirements, the Authority's proprietary funds follow all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins, except those that conflict with or contradict a GASB pronouncement.
3. 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.
4. Cash Equivalents: The Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents.
5. Allowance for Doubtful Accounts: The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. Management has determined that no allowance for doubtful accounts was required at September 30, 2013.
6. Inventories: Inventories, consisting of materials and supplies, are stated at the lower of cost or market, reported on a first-in, first-out basis.
7. Capital Assets: Capital Assets are stated at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

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

8. 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.

9. Subsequent Events: The Authority has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditor's Report, the date the accompanying financial statements were available for issuance.

Housing Authority of the City of Charlestown
Notes to Financial Statements (Continued)
September 30, 2013

Note C - Cash Deposits

In accordance with Section 401-(E) of the HUD/PHA Annual Contributions Contract, it is the policy of the Authority to invest its funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow needs of the Authority, and comply with all federal, state and local statutes or ordinances governing the investment of public funds.

- A. Custodial Credit Risk: Custodial credit risk for deposits and investments is the risk that, in the event of failure by a financial institution, the Authority may not be able to recover the value of its deposits and investments or collateral securities that are in the possession of the financial institution. Statutes authorize the Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities. All cash and investments are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company of depository financial institutions. The deposits exceeding the insured or registered limits are public funds covered in full by the State of Indiana Public Deposit Insurance Fund.
- B. Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

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

- C. Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely and (c) reasonable action is taken to control any adverse developments. The Authority's investment policy requires investment in instruments authorized by HUD Notice PIH 95-27.
- D. Concentration of Credit Risk: The Authority's investment policy requires diversification of the overall portfolio to eliminate the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer and/or a specific class of securities.
- E. Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or a deposit. All of the Authority's deposits and investments are denominated in United States currency.

At September 30, 2013, the carrying value of cash and certificates of deposit was \$1,271,579 and \$1,387,276, respectively. The bank balance of cash and certificates of deposit owned at September 30, 2013, was \$1,273,133 and \$1,387,276, respectively.

Housing Authority of the City of Charlestown
Notes to Financial Statements (Continued)
September 30, 2013

Note D - Capital Assets

The following is the detailed transactions of capital assets during the year ended September 30, 2013:

	Balance at 10/01/12	Additions	Disposals	Transfers	Balance at 09/30/13
Land	\$ 1,296,639	\$ -	\$ -	\$ -	\$ 1,296,639
Buildings	10,233,936	40,467	-	558,395	10,832,798
Dwelling equipment	485,910	699	(10,385)	-	476,224
Office furniture and equipment	29,265	4,277	-	-	33,542
Construction in progress	200,805	357,590	-	(558,395)	-
	<u>12,246,555</u>	<u>403,033</u>	<u>(10,385)</u>	<u>-</u>	<u>12,639,203</u>
Less accumulated depreciation	<u>(6,765,951)</u>	<u>(375,382)</u>	<u>10,385</u>	<u>-</u>	<u>(7,130,948)</u>
Total	<u><u>\$ 5,480,604</u></u>	<u><u>\$ 27,651</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,508,255</u></u>

Total depreciation expense for the year ended September 30, 2013 was \$375,382.

Note E - 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 \$9,607 as restricted net assets and restricted cash at September 30, 2013.

Note F - Retirement Plan

The Authority contributes to a simplified employee pension plan for all of the eligible employees in the amount of 13% of wages. All employees are eligible who are at least 21 years of age and have worked at least 3 of the preceding 5 years. Contributions to the SEPP IRA are fully vested with the employees when made. Pension expense for the year ended September 30, 2013, was \$68,064.

Note G - Compensated Absences

Regular full and part-time employees receive sick leave each year and vacation leave based upon length of employment. The vacation and sick leave benefits accumulate and can be carried forward to successive years; vacation and sick leave is also paid to employees upon termination. Accordingly, at September 30, 2013, a liability of \$136,410 has been recorded for accrued compensated absences.

Note H - 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.

**Housing Authority of the City of Charlestown
Notes to Financial Statements (Continued)
September 30, 2013**

Note I - Major Funding Source

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

Note J - Risk Management and Contingencies

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

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

Other Reports

**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***

To the Board of Commissioners
Housing Authority of the City of Charlestown

We have audited, in accordance with the 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, the financial statements of the Housing Authority of the City of Charlestown (the "Authority"), which comprise the statement of net position as of September 30, 2013, and the statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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* (Continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jeffersonville, Indiana
June 26, 2014

**Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance**

To the Board of Commissioners
Housing Authority of the City of Charlestown

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Charlestown's (the "Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of 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, 2013.

**Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance (Continued)**

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Jeffersonville, Indiana
June 26, 2014

**Housing Authority of the City of Charlestown
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013**

A. Summary of Audit Results

Financial Statements

Type of Auditors' Report Issued: Unqualified

Internal Control over Financial Reporting:
Material Weakness(es) Identified? yes x no

Significant Deficiency(ies) identified not Considered to
be Material Weaknesses? yes x none reported

Noncompliance Material to Financial Statements Noted? yes x no

Federal Awards

Internal Control over Major Programs:
Material Weakness(es) Identified? yes x no

Significant Deficiency(ies) Identified that are not
Considered to be Material Weakness(es)? yes x none reported

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

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.871	Section 8 Housing Choice Vouchers	\$ 247,316

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

Auditee qualified as low-risk auditee? x yes no

B. Findings - Financial Statements Audit

None.

C. Findings - Major Federal Award Programs Audit

None.

**Housing Authority of the City of Charlestown
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2013**

None.

Supplementary Information

Independent Accountants' Report on Applying Agreed-Upon Procedure

To the Board of Commissioners
Housing Authority of the City of Charlestown

We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Charlestown (the Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents included within the OMB Circular A-133 reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon 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, 2013, and have issued our reports thereon dated June 26, 2014. 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 26, 2014, 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.



Jeffersonville, Indiana
June 30, 2014

Housing Authority of the City of Charlestown
Attachment to Independent Accountant's Report
on Applying Agreed-Upon Procedure
September 30, 2013

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees	Does 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 Charlestown
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2013**

<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	\$ 247,515
Section 8 Housing Choice Vouchers	14.871	247,316
Public Housing Capital Fund Program	14.872	<u>408,590</u>
		<u>\$ 903,421</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.

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	Project Total	14.859 Public Housing Comprehensive Grant Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$ 840,917	\$ -	\$ 58,212	\$ 326,243	\$ 1,225,372	\$ -	\$ 1,225,372
112 Cash - Restricted - Modernization and Development					-		-
113 Cash - Other Restricted			9,607		9,607		9,607
114 Cash - Tenant Security Deposits	36,600				36,600		36,600
115 Cash - Restricted for Payment of Current Liabilities			-		-		-
100 Total Cash	877,517	-	67,819	326,243	1,271,579		1,271,579
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	4,574				4,574		4,574
126.1 Allowance for Doubtful Accounts -Tenants	-				-		-
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	4,574	-	-	-	4,574		4,574
131 Investments - Unrestricted	1,325,301		61,975		1,387,276		1,387,276
132 Investments - Restricted					-		-
135 Investments - Restricted for Payment of Current Liability					-		-
142 Prepaid Expenses and Other Assets	37,784			4,663	42,447		42,447
143 Inventories	3,308				3,308		3,308
143.1 Allowance for Obsolete Inventories	-				-		-
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	2,248,484	-	129,794	330,906	2,709,184		2,709,184

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	Project Total	14.859 Public Housing_Comprehensive Grant Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
161 Land	1,278,856	17,783			1,296,639		1,296,639
162 Buildings	10,039,035	793,763			10,832,798		10,832,798
163 Furniture, Equipment & Machinery - Dwellings	476,224				476,224		476,224
164 Furniture, Equipment & Machinery - Administration				33,542	33,542		33,542
165 Leasehold Improvements							
166 Accumulated Depreciation	(6,724,586)	(383,391)		(22,971)	(7,130,948)		(7,130,948)
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	5,069,529	428,155	-	10,571	5,508,255		5,508,255
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets							
176 Investments in Joint Ventures							
180 Total Non-Current Assets	5,069,529	428,155	-	10,571	5,508,255		5,508,255
190 Total Assets	7,318,013	428,155	129,794	341,477	8,217,439		8,217,439
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	16,888			497	17,385		17,385
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable							
322 Accrued Compensated Absences - Current Portion	58,664			23,182	81,846		81,846
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs			152		152		152
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	66,404				66,404		66,404
341 Tenant Security Deposits	36,600				36,600		36,600
342 Deferred Revenues	8,391				8,391		8,391
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds							
344 Current Portion of Long-term Debt - Operating Borrowings							

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	Project Total	14.859 Public Housing_Comprehen sive Grant Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To							
348 Loan Liability - Current							
310 Total Current Liabilities	186,947	-	-	23,679	210,778		210,778
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	39,110			15,454	54,564		54,564
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities							
350 Total Non-Current Liabilities	39,110	-	-	15,454	54,564		54,564
300 Total Liabilities	226,057	-	-	39,133	265,342		265,342
508.1 Invested In Capital Assets, Net of Related Debt	5,069,529	428,155		10,571	5,508,255		5,508,255
511.1 Restricted Net Assets			9,607		9,607		9,607
512.1 Unrestricted Net Assets	2,022,427	-	12,035	291,773	2,434,235		2,434,235
513 Total Equity/Net Assets	7,091,956	428,155	129,642	302,344	7,952,097		7,952,097
600 Total Liabilities and Equity/Net Assets	7,318,013	428,155	129,794	341,477	8,217,439		8,217,439

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	Project Total	14.859 Public Housing_Comprehen sive Grant Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$ 818,218	\$ -	\$ -	\$ -	\$ 818,218	\$ -	\$ 818,218
70400 Tenant Revenue - Other	37,110				37,110		37,110
70500 Total Tenant Revenue	855,328	-	-	-	855,328	-	855,328
70600 HUD PHA Operating Grants	298,515		247,316		545,831		545,831
70610 Capital Grants	357,590	-			357,590		357,590
70710 Management Fee				155,354	155,354	(155,354)	-
70720 Asset Management Fee				29,960	29,960	(29,960)	-
70730 Book Keeping Fee				27,983	27,983	(27,983)	-
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue				213,297	213,937	(213,297)	-
70800 Other Government Grants							
71100 Investment Income - Unrestricted	6,838		437	172	7,447		7,447
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery							
71500 Other Revenue	25,516				25,516		25,516
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	1,543,787	-	247,753	213,469	2,005,009	(213,297)	1,791,712
91100 Administrative Salaries	97,142			70,654	167,796		167,796
91200 Auditing Fees	13,000			3,300	16,300		16,300
91300 Management Fee	146,534		8,820		155,354	(155,354)	-
91310 Book-keeping Fee	22,470		5,513		27,983	(27,983)	-
91400 Advertising and Marketing	120			1,095	1,215		1,215
91500 Employee Benefit contributions - Administrative	38,000			17,699	55,699		55,699
91600 Office Expenses	17,567		20,699	54,978	93,244		93,244
91700 Legal Expense							
91800 Travel							
91810 Allocated Overhead							
91900 Other							
91000 Total Operating - Administrative	334,833	-	35,032	147,726	517,591	(183,337)	334,254

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	Project Total	14.859 Public Housing_ Comprehensive Grant Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
92000 Asset Management Fee	29,960				29,960	(29,960)	-
92100 Tenant Services - Salaries	5,830				5,830		5,830
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services	2,000				2,000		2,000
92400 Tenant Services - Other	96			155	251		251
92500 Total Tenant Services	7,926	-	-	155	8,081	-	8,081
93100 Water	130,996			615	131,611		131,611
93200 Electricity	36,436			3,249	39,685		39,685
93300 Gas	23,956			2,985	26,941		26,841
93400 Fuel							
93500 Labor							
93600 Sewer							
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	191,388	-	-	6,849	198,237	-	198,237
94100 Ordinary Maintenance and Operations - Labor	183,820				183,820		183,820
94200 Ordinary Maintenance and Operations - Materials and Other	23,359			730	24,089		24,089
94300 Ordinary Maintenance and Operations Contracts	85,813			7,058	92,871		92,871
94500 Employee Benefit Contributions - Ordinary Maintenance	68,064				68,064		68,064
94000 Total Maintenance	361,056	-	-	7,788	368,844	-	368,844
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs	26,000				26,000		26,000
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	26,000	-	-	-	26,000	-	26,000
96110 Property Insurance	38,786			5,730	44,516		44,516
96120 Liability Insurance	9,490				9,490		9,490
96130 Workmen's Compensation	2,000			9,677	11,677		11,677
96140 All Other Insurance							
96100 Total insurance Premiums	50,276	-	-	15,407	65,683	-	65,683
96200 Other General Expenses							
96210 Compensated Absences							

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	Project Total	14.859 Public Housing Comprehensive Grant Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
96300 Payments in Lieu of Taxes	66,404				66,404		66,404
96400 Bad debt - Tenant Rents	7,648				7,648		7,648
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	74,052	-	-	-	74,052	-	74,052
96710 Interest of Mortgage (or Bonds) Payable							
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-
96900 Total Operating Expenses	1,075,491	-	35,032	177,925	1,288,448	(213,297)	1,075,151
97000 Excess of Operating Revenue over Operating Expenses	468,296	-	212,721	35,544	716,561	-	716,561
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			233,727		233,727		233,727
97350 HAP Portability-In							
97400 Depreciation Expense	340,882	28,865	-	5,635	375,382		375,382
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	1,416,373	28,865	268,759	183,560	1,897,557	(213,297)	1,684,260
10010 Operating Transfer In	51,000				51,000		51,000
10020 Operating transfer Out	(51,000)				(51,000)		(51,000)
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	Project Total	14,859 Public Housing_Comprehensi ve Grant Program	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	127,414	(28,865)	(21,006)	29,909	107,452	-	107,452
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-
11030 Beginning Equity	6,964,542	457,020	150,648	272,435	7,844,645		7,844,645
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			120,035		120,035		120,035
11180 Housing Assistance Payments Equity			9,607		9,607		9,607
11190 Unit Months Available	3,000		840		3,840		3,840
11210 Number of Unit Months Leased	2,996		735		3,731		3,731
11270 Excess Cash	1,930,822				1,930,822		1,930,822
11610 Land Purchases	-			-	-		-
11620 Building Purchases	336,656			-	336,656		336,656
11630 Furniture & Equipment - Dwelling Purchases	700			-	700		700
11640 Furniture & Equipment - Administrative Purchases	-			-	-		-
11650 Leasehold Improvements Purchases	-			-	-		-
11660 Infrastructure Purchases	-			-	-		-
13510 CFFP Debt Service Payments	-			-	-		-
13901 Replacement Housing Factor Funds	-			-	-		-

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	IN025000001	IN025000002	Total
111 Cash - Unrestricted	\$ 762,824	\$ 78,093	\$ 840,917
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	22,750	13,850	36,600
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	785,574	91,943	877,517
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	4,574	-	4,574
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-
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	4,574	-	4,574
131 Investments - Unrestricted	825,938	499,363	1,325,301
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	21,912	15,872	37,784
143 Inventories	1,101	2,207	3,308
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	1,639,099	609,385	2,248,484
161 Land	301,863	976,993	1,278,856
162 Buildings	5,360,022	4,679,013	10,039,035
163 Furniture, Equipment & Machinery - Dwellings	264,617	211,607	476,224
164 Furniture, Equipment & Machinery - Administration			
165 Leasehold Improvements			
166 Accumulated Depreciation	(2,601,042)	(4,123,544)	(6,724,586)
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	3,325,460	1,744,069	5,069,529
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	3,325,460	1,744,069	5,069,529
190 Total Assets	4,964,559	2,353,454	7,318,013

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	IN025000001	IN025000002	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	10,162	6,726	16,888
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion	38,989	19,675	58,664
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	41,192	25,212	66,404
341 Tenant Security Deposits	22,750	13,850	36,600
342 Deferred Revenues	3,881	4,510	8,391
343 Current Portion of Long-term Debt - Capital Projects/Mortgage			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	116,974	69,973	186,947
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	25,993	13,117	39,110
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	25,993	13,117	39,110
300 Total Liabilities	142,967	83,090	226,057
508.1 Invested in Capital Assets, Net of Related Debt	3,325,460	1,744,069	5,069,529
511.1 Restricted Net Assets			
512.1 Unrestricted Net Assets	1,496,132	526,295	2,022,427
513 Total Equity/Net Assets	4,821,592	2,270,364	7,091,956
600 Total Liabilities and Equity/Net Assets	4,964,559	2,353,454	7,318,013

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	IN025000001	IN025000002	Total
70300 Net Tenant Rental Revenue	\$ 497,265	\$ 320,953	\$ 818,218
70400 Tenant Revenue - Other	27,472	9,638	37,110
70500 Total Tenant Revenue	524,737	330,591	855,328
70600 HUD PHA Operating Grants	199,388	99,127	298,515
70610 Capital Grants	345,590	12,000	357,590
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	3,853	2,985	6,838
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	17,434	8,082	25,516
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	1,091,002	452,785	1,543,787
91100 Administrative Salaries	71,586	25,556	97,142
91200 Auditing Fees	9,454	3,546	13,000
91300 Management Fee	85,592	60,942	146,534
91310 Book-keeping Fee	13,125	9,345	22,470
91400 Advertising and Marketing		120	
91500 Employee Benefit contributions - Administrative	30,000	8,000	38,000
91600 Office Expenses	6,880	10,687	17,567
91700 Legal Expense			
91800 Travel			
91810 Allocated Overhead			
91900 Other			
91000 Total Operating - Administrative	216,637	118,196	334,833
92000 Asset Management Fee	17,500	12,460	29,960
92100 Tenant Services - Salaries	3,381	2,449	5,830
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services	1,000	1,000	2,000
92400 Tenant Services - Other		96	96
92500 Total Tenant Services	4,381	3,545	7,926
93100 Water	101,312	29,684	130,996
93200 Electricity	7,470	28,996	36,436
93300 Gas	4,034	19,922	23,856
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	112,816	78,572	191,388

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	IN025000001	IN025000002	Total
94100 Ordinary Maintenance and Operations - Labor	112,499	71,321	183,820
94200 Ordinary Maintenance and Operations - Materials and Other	15,038	8,321	23,359
94300 Ordinary Maintenance and Operations Contracts	45,239	40,574	85,813
94500 Employee Benefit Contributions - Ordinary Maintenance	41,853	26,211	68,064
94000 Total Maintenance	214,629	146,427	361,056
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	15,080	10,920	26,000
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	15,080	10,920	26,000
96110 Property Insurance	20,001	18,785	38,786
96120 Liability Insurance	7,619	1,871	9,490
96130 Workmen's Compensation		2,000	2,000
96140 All Other Insurance			
96100 Total insurance Premiums	27,620	22,656	50,276
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	41,192	25,212	66,404
96400 Bad debt - Tenant Rents	5,748	1,900	7,648
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	46,940	27,112	74,052
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	655,603	419,888	1,075,491
97000 Excess of Operating Revenue over Operating Expenses	435,399	32,897	468,296
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	261,706	79,176	340,882
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	917,309	499,064	1,416,373

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

Submission Type: Audited/A-133 Fiscal Year End: 09/30/2013

	IN025000001	IN025000002	Total
10010 Operating Transfer In	29,580	21,420	51,000
10020 Operating transfer Out	(29,580)	(21,420)	(51,000)
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	173,693	(46,279)	40,094
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	4,647,899	2,316,643	6,964,542
11040 Prior Period Adjustments, Equity Transfers and Correction of	-	-	-
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1,752	1,248	3,000
11210 Number of Unit Months Leased	1,750	1,246	2,996
11270 Excess Cash	1,444,479	486,343	1,930,822
11610 Land Purchases	-	-	-
11620 Building Purchases	336,656	-	366,656
11630 Furniture & Equipment - Dwelling Purchases	-	700	700
11640 Furniture & Equipment - Administrative Purchases	-	-	-
11650 Leasehold Improvements Purchases	-	-	-
11660 Infrastructure Purchases	-	-	-
13510 CFFP Debt Service Payments	-	-	-
13901 Replacement Housing Factor Funds	-	-	-