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August 27, 2024

Board of Directors
Housing Authority of the City of Jeffersonville
Clark County, Indiana

We have reviewed the audit report of the Housing Authority of the City of Jeffersonville which was opined on by Rubino & Company, Independent Public Accountants, for the period October 1, 2022 to September 30, 2023. Per the *Independent Auditors' Report*, 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, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Rubino & Company prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**HOUSING AUTHORITY OF THE
CITY OF JEFFERSONVILLE**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2023

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Table of Contents

	<u>Page(s)</u>
Independent Auditor's Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis	4 -10
Financial Statements	
Statement of Net Position	11 - 12
Statement of Revenues, Expenses, and Changes in Net Position	13
Statement of Cash Flows	14 - 15
Notes to Financial Statements	16 - 29
Other Supplementary Information	
Financial Data Schedule	30 - 33
Schedule of Expenditures of Federal Awards	34
Notes to Schedule of Expenditures of Federal Awards	35
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>	36 - 37
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	38 - 40
Schedule of Findings and Questioned Costs	41 - 42
Summary Schedule of Prior Audit Findings	43



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Jeffersonville (the Authority), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of September 30, 2023, and the 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic 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 14, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

Bethesda, Maryland
June 14, 2024

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2023**

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

Our discussion and analysis of the Housing Authority of the City of Jeffersonville, Indiana’s, financial performance provides an overview of the Housing Authority’s financial activities for the fiscal year ended September 30, 2023. 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 increased during the year from \$1,455,805 to \$1,502,181 and capital assets increased from \$4,968,771 to \$5,438,486. Other noncurrent assets decreased \$16,365.

The Housing Authority’s total assets reflect an increase during the year. Total assets increased from \$6,457,775 to \$6,957,501, an increase of \$499,726.

Liabilities and Deferred Inflow of Resources

Current liabilities increased from \$199,297 to \$233,500 and noncurrent liabilities decreased from \$32,516 to \$32,509.

The Housing Authority’s total liabilities increased from \$231,813 at year end in 2022 to \$266,009 at year end in 2023.

Deferred inflow of resources decreased \$15,909.

Revenue

The Authority received Operating Subsidy and Capital Grants of \$5,857,874 for the year ended September 30, 2023 as compared to \$4,871,198 in the prior year.

Expenses

Total expenses increased \$624,402 in 2023 from \$6,325,471 to \$6,949,873. This increase was primarily a result of increases in administration, maintenance and operations, protective services, and HCV housing assistance payments, offset by a decrease in depreciation expense, casualty loss, and extraordinary maintenance.

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2023**

OVERVIEW OF THE AUTHORITY’S FINANCIAL STATEMENTS

This annual report includes this Management’s Discussion and Analysis, the Basic Financial Statements, and the Notes to the Financial Statements. This annual report also contains the Schedule of Expenditures of Federal Awards (SEFA) and the Financial Data Schedule (FDS) as referenced in the section of Supplementary Information and Single Audit.

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 Position includes all the Housing Authority’s assets, liabilities, deferred inflow of resources, and net position, 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 Revenues, Expenses, and Changes in Net Position. 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 the sources of cash, what was cash used for, and what was the change in the cash balance during the reporting period.

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

The section titled Supplementary Information 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.

FINANCIAL ANALYSIS

The Housing Authority accounts for its housing activities primarily in four (4) programs. The Housing Authority has a Public and Indian Housing program that provides housing for qualified tenants, a Capital Fund program that the Housing Authority uses for improvements to its Public and Indian Housing property, a Section 8 Housing Choice Voucher program that provides rental assistance to qualified participants, and a Resident Opportunities and Self-Sufficiency program intended to enable participants to make progress toward economic independence and self-sufficiency.

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2023**

The following summarizes these programs.

Public and Indian Housing Program – Under the Public and Indian Housing Low Rent 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, 2023, the Authority received \$4.54 million in Operating Subsidy, of which approximately \$1.58 million has been recognized in the Public and Indian Housing Low Rent Program.

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, 2023, the Housing Authority received \$1,321,450 in Capital Funds, of which \$930,534 was used for property additions or improvements.

Section 8 Housing Choice Voucher Program – Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own properties. The Housing 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 Housing Authority earns administrative fees to cover the cost of administering the program. For the fiscal year ended September 30, 2023, the Housing Authority received approximately \$2.95 million in total HAP and administrative funding. As of September 30, 2023, the Housing Authority has 415 regular vouchers, 10 VASH, and 12 FYI vouchers to administer.

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

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2023**

Statements of Net Position

Statements of Net Position			
September 30,			
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Assets			
Cash and cash equivalents	\$ 718,316	\$ 1,288,406	\$ (570,090)
Other current assets	783,865	167,399	616,466
Capital assets	5,438,486	4,968,771	469,715
Other noncurrent assets	<u>16,834</u>	<u>33,199</u>	<u>(16,365)</u>
Total assets	<u>\$ 6,957,501</u>	<u>\$ 6,457,775</u>	<u>\$ 499,726</u>
Liabilities			
Current liabilities	\$ 233,500	\$ 199,297	\$ 34,203
Noncurrent liabilities	<u>32,509</u>	<u>32,516</u>	<u>(7)</u>
Total liabilities	<u>266,009</u>	<u>231,813</u>	<u>34,196</u>
Deferred Inflow of Resources	<u>33,199</u>	<u>49,108</u>	<u>(15,909)</u>
Net Position			
Net investment in capital assets	5,438,486	4,968,771	469,715
Restricted	15,621	82,687	(67,066)
Unrestricted	<u>1,204,186</u>	<u>1,125,396</u>	<u>78,790</u>
Total net position	<u>6,658,293</u>	<u>6,176,854</u>	<u>481,439</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 6,957,501</u>	<u>\$ 6,457,775</u>	<u>\$ 499,726</u>

A current asset is an asset on the statement of net position 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 increase in current assets during the year ended September 30, 2023 is primarily due to decreases in cash offset by an increase in accounts receivable. The increase in accounts receivable is due to an increase of \$612,262 in accounts receivable from HUD.

A capital asset is an asset that is recorded on a statement of net position as capital - that is, property that creates more property and which produces a benefit that extends beyond the current fiscal year. The increase in capital assets during the year ended September 30, 2023 is due to the effects of capital asset additions of \$1,035,867 and charges for current year depreciation expense of \$566,152.

Other noncurrent assets represent the portion of lease receivable due more than 12 months from the date of the statement of net position.

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2023**

Liabilities consist of obligations the Housing Authority owes and are classified as current (usually due within one year) and non-current. Current liabilities increased during the year ended September 30, 2023 by \$34,203. Non-current liabilities decreased by \$7.

Deferred inflow of resources are related to recording the value of a long-term rooftop lease to a wireless communications company. In accordance with accounting standards for leases, the present value of the lease receivable is recorded as an asset (\$16,365 in current assets and \$16,834 in other noncurrent assets), as well as an offsetting amount in deferred inflow of resources of \$33,199.

Total net position increased by \$481,439 during the fiscal year ended September 30, 2023. This increase is the residual effect of the net increases and decreases in revenues and expenses during the current fiscal year which has been explained elsewhere in the MD&A.

Statements of Revenues, Expenses, and Changes in Net Position

**Statements of Changes in Net Position
Years ended September 30,**

	2023	2022	Increase (Decrease)
Revenue			
Total tenant revenues	\$ 1,359,781	\$ 1,209,640	\$ 150,141
Operating subsidies	4,927,340	4,304,665	622,675
Capital grants	930,534	566,533	364,001
Interest income	12,115	13,249	(1,134)
Gain on disposal of equipment	-	10,135	(10,135)
Other revenues	201,542	111,696	89,846
Total revenue	<u>7,431,312</u>	<u>6,215,918</u>	<u>1,215,394</u>
Expenses			
Administration	1,086,092	990,900	95,192
Tenant services	72,844	34,969	37,875
Utilities	1,004,293	987,123	17,170
Maintenance and operations	1,108,362	1,095,459	12,903
Protective services	131,184	3,904	127,280
Insurance premiums	94,949	142,999	(48,050)
Other general expense	155,526	220,476	(64,950)
Housing assistance payments	2,729,571	2,124,641	604,930
Depreciation	566,152	639,903	(73,751)
Casualty loss	900	85,097	(84,197)
Total expenses	<u>6,949,873</u>	<u>6,325,471</u>	<u>624,402</u>
Increase (decrease) in net position	<u>\$ 481,439</u>	<u>\$ (109,553)</u>	<u>\$ 590,992</u>

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2023**

The overall increase in revenue is a result of increased Public & Indian Housing operating subsidies, HCV program subsidies, Capital Fund grant revenues, and tenant revenues.

Protective services increased by \$127,280, and housing assistance payments increased by \$604,930.

Capital Assets

	Capital Assets		
	2023	2022	Increase (Decrease)
Land	\$ 404,857	\$ 365,272	\$ 39,585
Buildings	25,111,191	24,161,799	949,392
Furniture, equipment and machinery - dwellings	901,758	862,769	38,989
Furniture, equipment and machinery - administration	526,283	518,382	7,901
Site improvements	1,026,088	1,026,088	-
Subtotal	<u>27,970,177</u>	<u>26,934,310</u>	1,035,867
Accumulated depreciation	<u>(22,531,691)</u>	<u>(21,965,539)</u>	<u>(566,152)</u>
Net capital assets	<u>\$ 5,438,486</u>	<u>\$ 4,968,771</u>	<u>\$ 469,715</u>

At September 30, 2023, the Housing Authority had \$5,438,486 invested in net capital assets. This amount represents a net increase of \$469,715.

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.

Additional information is provided in Note 3 to the financial statements.

List of Major Improvements

During fiscal year 2023, 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 four open capital fund grants during the fiscal year to aid in the completion of modernization and repairs of the dwellings and the purchase of capital needs. For the year ended September 30, 2023, the Housing Authority received \$930,534 in funding used for capital projects at its various developments.

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2023**

Debt

As of September 30, 2023, the Housing Authority had non-current liabilities of \$32,509. This amount reflects the noncurrent portion of the Housing Authority's accrued 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 (HUD) 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 HUD funding appropriation levels as approved by Congress in the federal budget. The Housing Authority continually monitors all areas of its 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 Darnell Jackson, Executive Director at the Housing Authority of the City of Jeffersonville, IN 47130, telephone number (812) 283-3553.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	\$	655,339
Cash and cash equivalents - restricted		15,621
Cash and cash equivalents - tenant security deposits		47,356
Accounts receivable - HUD		612,262
Accounts receivable - tenants		36,586
Lease receivable - current		16,365
Prepaid expenses		81,419
Inventory, net		<u>37,233</u>
Total current assets		<u><u>1,502,181</u></u>

Noncurrent Assets

Capital Assets

Land		404,857
Buildings		25,111,191
Furniture, equipment and machinery - dwellings		901,758
Furniture, equipment and machinery - administration		526,283
Site improvements		<u>1,026,088</u>
		27,970,177
Less accumulated depreciation		<u>(22,531,691)</u>
Capital assets, net		<u><u>5,438,486</u></u>

Other Noncurrent Assets

Lease receivable - noncurrent		<u>16,834</u>
Total noncurrent assets		<u><u>5,455,320</u></u>
Total assets	\$	<u><u>6,957,501</u></u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION

Current Liabilities

Accounts payable	\$	109,634
Accrued wages and payroll taxes		29,463
Tenant security deposits		47,356
Unearned revenue		37,473
Accrued compensated absences, current		2,989
Other current liabilities		6,585
Total current liabilities		233,500

Noncurrent Liabilities

Accrued compensated absences, less current portion		32,509
Total noncurrent liabilities		32,509

Total liabilities

266,009

Deferred Inflow of Resources

33,199

Net Position

Invested in capital assets, net of related debt		5,438,486
Restricted net position		15,621
Unrestricted net position		1,204,186
Total net position		6,658,293

Total liabilities, deferred inflow of resources, and net position

\$ 6,957,501

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Operating Revenues	
HUD operating grants	\$ 4,927,340
Tenant revenue	1,359,781
Other revenue	<u>201,542</u>
Total operating revenue	<u>6,488,663</u>
Operating Expenses	
Administrative	1,086,092
Tenant services	72,844
Utilities	1,004,293
Maintenance and operations	1,108,362
Protective services	131,184
Insurance	94,949
Other general expenses	155,526
Housing assistance payments	2,729,571
Depreciation	<u>566,152</u>
Total operating expenses	<u>6,948,973</u>
Operating income (loss)	<u>(460,310)</u>
Non Operating Revenues (Expenses)	
Interest income	12,115
Casualty loss	<u>(900)</u>
Total non operating revenues (expenses)	<u>11,215</u>
Income (loss) before capital grants	(449,095)
Capital grants	<u>930,534</u>
Change in net position	481,439
Net position, beginning of year	<u>6,176,854</u>
Net position, end of year	<u><u>\$ 6,658,293</u></u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Cash flows from operating activities:

Receipts from tenants	\$ 1,340,740
HUD operating grants	4,585,890
Other receipts	247,397
Payments to suppliers	(2,613,994)
Payments to or on behalf of employees	(1,035,622)
Housing assistance payments	<u>(2,729,571)</u>
Net cash flows provided (used) by operating activities	<u>(205,160)</u>

Cash flow from investing activities:

Interest income	<u>12,115</u>
Net cash flows provided (used) by investing activities	<u>12,115</u>

Cash flows from capital and related financing activities:

Capital grant receipts	659,722
Other	(900)
Capital assets purchased	<u>(1,035,867)</u>
Net cash flows provided (used) by capital and related financing activities	<u>(377,045)</u>

Net increase in cash (570,090)

Cash and cash equivalents, beginning of year 1,288,406

Cash and cash equivalents, end of year \$ 718,316

**RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT
OF CASH FLOWS TO THE STATEMENT OF NET POSITION**

Cash and cash equivalents - unrestricted	\$ 655,339
Cash and cash equivalents - restricted	15,621
Cash and cash equivalents - tenant security deposits	<u>47,356</u>
Cash and cash equivalents per statement of net position	<u><u>\$ 718,316</u></u>

The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (460,310)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	566,152
(Increase) decrease in assets:	
Accounts receivable - HUD	(341,450)
Accounts receivable - miscellaneous	61,764
Accounts receivable - tenants	(4,682)
Prepaid expenses	(44,921)
Increase (decrease) in liabilities:	
Accounts payable	75,075
Accrued wages and payroll taxes	2,034
Tenant security deposits	(2,255)
Unearned revenue	(12,104)
Other liabilities	(30,663)
Accrued compensated absences	2,109
Increase (decrease) in deferred inflow of resources	<u>(15,909)</u>
Net cash provided (used) by operating activities	<u><u>\$ (205,160)</u></u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Housing Authority of the City of Jeffersonville (the Authority) is organized under the laws of the State of Indiana by the City of Jeffersonville (the City) for the purpose of providing adequate housing for qualified low-income individuals.

Funding for the Authority is primarily received from the United States Department of Housing and Urban Development (HUD) and from payments received from tenants of the Authority-owned housing. Under the Public and Indian 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 Public and Indian 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 (ACC) with HUD.

The Section 8 Housing Choice Voucher (HCV) Program provides rental supplements to the owners of existing private housing who rent to qualifying individuals. The Authority processes all applicants for the HCV 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.

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.

Reporting Entity

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 from the City government. Debt incurred by the Authority is not an obligation

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

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 GASB pronouncements, management has concluded that the Authority is a separate reporting entity.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria established by the GASB. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

Based on the application of these criteria, Jeffersonville Housing Services II (JHS II) is considered a blended component unit. JHS II is a non-profit entity established to assist the Authority in developing affordable housing.

Summary of Significant Accounting Policies

The summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements are representations of the Authority's management who is responsible for the integrity and objectivity of the financial statements. 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.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Accounting Standards Codification (ASC) as produced by the Financial Accounting Standards Board (FASB) is the primary source of authoritative GAAP for non-governmental entities. The Governmental Accounting Standards Board (GASB) produces additional authoritative guidance for governmental entities.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND 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. All inter-organizational accounts and transactions have been eliminated in the financial statements.

In accordance with GASB requirements, the Authority's proprietary funds follow all GASB pronouncements.

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 and 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 such investments at September 30, 2023.

Restricted cash consists of cash required to be used or held for specific purposes. Restricted cash also includes security deposits received from tenants. The cash is restricted for reimbursements of security deposits unless there is evidence of default by the tenant under the lease agreement.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. At September 30, 2023, the allowance for doubtful accounts was \$1,835 for accounts receivable - tenants and \$8,641 for accounts receivable - tenant fraud recovery.

Management believes all other accounts receivable as of September 30, 2023 are collectible and no additional allowance is necessary.

Inventories

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

Capital Assets

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

The capitalization policy for the Authority is that items purchased or betterments, not repairs, in excess of \$1,000 and a useful life of one (1) year will be capitalized.

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 site improvements and 5 - 10 years for building equipment, furniture, maintenance equipment and miscellaneous assets.

Leases

Lessee – For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease asset and lease obligation which is calculated based on the value of the discounted future lease payments over the term of the lease. The Authority recognizes a lease liability and right to use asset on the statement of

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

net position. Leases with an initial, non-cancellable term of 12 months or less are not recorded on the statement of net position and expense is recognized as incurred over the lease term. At the commencement of the lease, the Authority measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight-line basis over a period that is shorter of the lease term or the useful life of similar capital assets. Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

Lessor – For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. The Authority will not recognize a lease receivable and a deferred inflow of resources for leases with a non-cancellable term of less than 12 months, and income is recognized as earned. The Authority is a lessor for a non-cancellable lease of real property. The Authority recognizes a lease receivable and a deferred inflow of resources on the statement of net position. At the commencement of a lease, the Authority measures the lease receivable as the present value of payments expected to be received during the lease term and then reduces the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

Compensated Absences

Regular full and part-time employees receive sick leave and vacation leave each year based upon length of employment. Earned leave in a maximum amount of 225 hours may be carried over from year to year. Upon termination, employees are paid for any accumulated leave.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 HCV 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.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, tenant services, utilities, maintenance, protective services, insurance, depreciation, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. This includes capital subsidies for the Capital Fund Program.

Use of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Adoption of New Accounting Standards

GASB issued the following accounting standards which became effective during the year ended September 30, 2023:

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. This standard had no impact on the Authority's financial statements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Standards (continued)

GASB Statement No. 91, *Conduit Debt Obligations*, will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. This standard had no impact on the Authority's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. This standard had no impact on the Authority's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* will improve financial reporting by establishing definitions of Public-Private and Public-Public Partnerships and Availability Payment Arrangements and by providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This standard had no impact on the Authority's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* will improve financial reporting by establishing definitions for Subscription-Based Information Technology Arrangements and by providing uniform guidance on accounting and financial reporting for transactions that meet that definition. This standard had no impact on the Authority's financial statements.

GASB Statement No. 99, *Omnibus 2020* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The statement addresses a variety of topics. The standard is effective as follows:

Provisions related to LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments were effective upon issuance.

Provisions related to leases, Public-Private and Public-Public Partnerships, and subscription-based information technology arrangements are effective for fiscal years beginning after June 15, 2022. This standard had no impact on the Authority's financial statements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Standards (continued)

Provisions related to financial guarantees and the classification and reporting of derivative instruments are effective for fiscal years beginning after June 15, 2023.

Newly Issued Accounting Standards Not Yet Adopted

GASB issued the following accounting standards which will be effective in subsequent years. The Authority is evaluating the impact of these standards on future financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of ASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* updates the recognition, measurement, and disclosure guidance for compensated absences. The requirements of this statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures* has the objective of providing financial statement users with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

Subsequent Events

Management has evaluated events and transactions occurring subsequent to the statement of net position date for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through June 14, 2024, which is the date these financial statements were available to be issued.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. CASH DEPOSITS

In accordance with 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.

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, 2023, were insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The deposits exceeding the FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1. At September 30, 2023, \$250,000 was covered by FDIC insurance, and the remaining amount was either fully collateralized by securities held by the depository's agent in the Authority's name or insured by the Fund.

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.

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.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 2. CASH DEPOSITS (continued)

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.

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.

NOTE 3. CAPITAL ASSETS

The following is the detail of capital asset transactions during the year ended September 30, 2023:

	Balance 9/30/2022	Additions	Disposals	Balance 9/30/2023
Capital Assets not being depreciated				
Land	\$ 365,272	\$ 39,585	\$ -	\$ 404,857
Capital Assets being depreciated				
Buildings	24,161,799	949,392	-	25,111,191
Furniture, equipment and machinery - dwellings	862,769	38,989	-	901,758
Furniture, equipment and machinery - administration	518,382	7,901	-	526,283
Site improvements	1,026,088	-	-	1,026,088
Total capital assets being depreciated	26,569,038	996,282	-	27,565,320
Total capital assets	26,934,310	1,035,867	-	27,970,177
Less accumulated depreciation	(21,965,539)	(566,152)	-	(22,531,691)
Capital assets, net	\$ 4,968,771	\$ 469,715	\$ -	\$ 5,438,486

NOTE 4. RESTRICTED NET POSITION AND RESTRICTED CASH

In accordance with guidelines established by HUD, any HAP budget authority provided to a housing authority in excess of actual program expenses for the same period must be maintained as restricted net position to be used only for HAP payments incurred in running the HCV program. Restricted net position as of September 30, 2023 in the HCV Program is \$15,621 and restricted cash is \$15,621.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5. OTHER NONCURRENT LIABILITIES

The activities of noncurrent liabilities are as follows:

	Balance 9/30/2022	Increases	Decreases	Balance 9/30/2023	Due within one year
Compensated absences	\$ 33,389	\$ 2,109	\$ -	\$ 35,498	\$ 2,989

NOTE 6. RETIREMENT PLAN

The Authority provides pension benefits for all eligible employees through a defined contribution plan as authorized in accordance with IC 36-7-18-10. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. On May 15, 2013, the Authority approved Resolution No. 414, which adopted a new retirement plan. A Joinder Agreement was executed with the Housing Agency Retirement Trust enabling the Authority to participate in the Plan effective January 1, 2012.

Prior to the adoption of the new Plan, the Authority sponsored a SEP retirement plan whereby eligible employees were all employees who were at least 21 years of age and had been employed by the Authority for at least two of the preceding five years. For each eligible employee, the Authority elected to contribute an amount equal to 14% of the eligible employee's base wages to the plan each year. All contributions were fully vested with the employees when made.

Under the conditions of the new Plan, all current and future full-time employees are eligible to participate in the Plan on the first day of the month after completing six months of continuous and uninterrupted employment. All employees who were participants in the prior retirement plan were automatically enrolled in the new Plan and retained the prior employer contribution rate of 14% and 100% vesting rights. For all full-time employees hired on or after January 1, 2013, the Authority automatically contributes 6% of the employee's base rate of pay to the Plan. Newly eligible employees may elect to make pre-tax employee contributions to the Plan with the Authority matching the first 2% of the pre-tax employee contributions in addition to the automatic 6% employer contribution. All voluntary employee contributions are fully vested. All participating employees hired on or after January 1, 2013 will be fully vested in employer contributions after completing three full years of continuous employment with the Authority.

For the year ended September 30, 2023, total contributions by the Authority to all Plans were \$58,842 based upon \$557,365 of base wage expense to eligible employees.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7. LEASING ACTIVITIES

Lessor - The Authority leases rooftop space on one of its buildings to a wireless communications provider under a non-cancelable lease. The current lease term expires February 27, 2026, and the current required lease payment is \$17,034 at the beginning of each lease year. During the year ended September 30, 2023, revenue of \$17,034 was recognized (\$15,909 principal payments on the lease receivable and \$1,125 of interest income on the outstanding lease receivable). Future minimum lease payments are as follows:

Year ending September 30	Minimum Lease Payments		
	Principal	Interest	Total
2024	\$ 16,365	\$ 669	\$ 17,034
2025	16,834	200	17,034
Total	\$ 33,199	\$ 869	\$ 34,068

A deferred inflow of resources equal to \$33,199 has been recorded in conjunction with this lease.

The lessor has three 5-year extensions available. If exercised, the annual rent will increase 5% from the amount of the rent in the prior 5-year period. The extension periods have not been included in the lease receivable or the deferred inflow of resources because the Authority does not consider it reasonably certain that the lessor will exercise its option to extend the lease.

In March 2019 the Authority entered into an agreement to lease a building to the City of Jeffersonville, Indiana (the City) for ten years, with up to four five-year extensions. Under the lease agreement, the City pays \$1 in rent each month, and also pays for all utilities.

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. As of September 30, 2023 the Authority did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the year then ended.

NOTE 9. ECONOMIC DEPENDENCY

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.

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10. COMMITMENTS 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, 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. Settled claims have not exceeded coverage levels for the past three years, and insurance coverage levels and insurance coverage, by major categories of risk, is consistent with coverage in the prior year.

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.

NOTE 11. BLENDED COMPONENT UNIT

Condensed financial information for the Authority's blended component unit, Jeffersonville Housing Services II is provided below:

Jeffersonville Housing Services II Condensed Statement of Net Position September 30, 2023	
Assets	
Current assets	\$ -
Capital assets	39,585
Total assets	\$ 39,585
Liabilities	
Current liabilities - payable to JHA	\$ 62,947
Noncurrent liabilities	-
Total liabilities	62,947
Net position	
Invested in capital assets, net of related debt	39,585
Unrestricted	(62,947)
Total net position	(23,362)
Total liabilities and net position	\$ 39,585

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 11. BLENDED COMPONENT UNIT (continued)

Jeffersonville Housing Services II
Condensed Statement of Revenues, Expenses and
Changes in Net Position
For the Year Ended September 30, 2023

Operating revenue	\$	-
Operating expenses		23,362
		<u> </u>
Change in net position		(23,362)
Net position, beginning of year		-
		<u> </u>
Net position, end of year	\$	<u><u> </u></u> (23,362)

Jeffersonville Housing Services II
Condensed Statement of Cash Flows
For the Year Ended September 30, 2023

Net cash provided by operating activities	\$	39,585
Net cash provided by investing activities		(39,585)
Net cash provided by capital and related financing activities		<u> </u> -
Net increase in cash and cash equivalents		-
Cash and cash equivalents, beginning of year		<u> </u> -
Cash and cash equivalents, end of year	\$	<u><u> </u></u> -

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
 FINANCIAL DATA SCHEDULE - BALANCE SHEET SUMMARY
 SEPTEMBER 30, 2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
ASSETS								
CURRENT ASSETS:								
Cash:								
Cash - Unrestricted	\$ 262,172	\$ 2,272	\$ 118,822	\$ -	\$ 272,073	\$ 655,339	\$ -	\$ 655,339
Cash - Other Restricted	-	-	15,621	-	-	15,621	-	15,621
Cash - Tenant Security Deposits	47,356	-	-	-	-	47,356	-	47,356
Total Cash	309,528	2,272	134,443	-	272,073	718,316	-	718,316
Accounts and Notes Receivables:								
Accounts Receivable - HUD Other Projects	612,262	-	-	-	-	612,262	-	612,262
Accounts Receivable - Tenants	29,780	-	-	-	-	29,780	-	29,780
Allowance for Doubtful Accounts -Tenants	(1,835)	-	-	-	-	(1,835)	-	(1,835)
Notes, Loans, & Mortgages Receivable - Current	16,365	-	-	-	-	16,365	-	16,365
Fraud Recovery	12,667	-	4,615	-	-	17,282	-	17,282
Allowance for Doubtful Accounts - Fraud	(6,334)	-	(2,307)	-	-	(8,641)	-	(8,641)
Total Receivables, Net	662,905	-	2,308	-	-	665,213	-	665,213
Other Current Assets:								
Prepaid Expenses and Other Assets	63,507	-	3,257	-	14,655	81,419	-	81,419
Inventories	37,233	-	-	-	-	37,233	-	37,233
Inter Program Due From	-	-	-	-	62,947	62,947	(62,947)	-
TOTAL CURRENT ASSETS	1,073,173	2,272	140,008	-	349,675	1,565,128	(62,947)	1,502,181
NONCURRENT ASSETS:								
Capital Assets:								
Land	365,272	-	-	39,585	-	404,857	-	404,857
Buildings	25,111,191	-	-	-	-	25,111,191	-	25,111,191
Furniture, Equipment & Machinery - Dwellings	901,758	-	-	-	-	901,758	-	901,758
Furniture, Equipment & Machinery - Administration	17,919	-	-	-	508,364	526,283	-	526,283
Leasehold Improvements	1,026,088	-	-	-	-	1,026,088	-	1,026,088
Accumulated Depreciation	(22,028,336)	-	-	-	(503,355)	(22,531,691)	-	(22,531,691)
Total Capital Assets, Net	5,393,892	-	-	39,585	5,009	5,438,486	-	5,438,486
Notes, Loans and Mortgages Receivable - Non-Current	16,834	-	-	-	-	16,834	-	16,834
TOTAL NONCURRENT ASSETS	5,410,726	-	-	39,585	5,009	5,455,320	-	5,455,320
TOTAL ASSETS	\$ 6,483,899	\$ 2,272	\$ 140,008	\$ 39,585	\$ 354,684	\$ 7,020,448	\$ (62,947)	\$ 6,957,501

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
 FINANCIAL DATA SCHEDULE - BALANCE SHEET SUMMARY
 SEPTEMBER 30, 2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION								
LIABILITIES:								
CURRENT LIABILITIES:								
Accounts Payable <= 90 Days	\$ 57,064	\$ -	\$ -	\$ -	\$ -	\$ 57,064	\$ -	\$ 57,064
Accrued Wage/Payroll Taxes Payable	15,797	2,272	3,471	-	7,923	29,463	-	29,463
Accrued Compensated Absences - Current Portion	1,441	-	302	-	1,246	2,989	-	2,989
Accounts Payable - Other Government	52,570	-	-	-	-	52,570	-	52,570
Tenant Security Deposits	47,356	-	-	-	-	47,356	-	47,356
Unearned Revenue	37,473	-	-	-	-	37,473	-	37,473
Other Current Liabilities	1,634	-	-	-	-	1,634	-	1,634
Accrued Liabilities - Other	4,951	-	-	-	-	4,951	-	4,951
Inter Program - Due To	-	-	-	62,947	-	62,947	(62,947)	-
TOTAL CURRENT LIABILITIES	218,286	2,272	3,773	62,947	9,169	296,447	(62,947)	233,500
NONCURRENT LIABILITIES:								
Accrued Compensated Absences - Non Current	15,669	-	3,283	-	13,557	32,509	-	32,509
TOTAL NONCURRENT LIABILITIES	15,669	-	3,283	-	13,557	32,509	-	32,509
TOTAL LIABILITIES	233,955	2,272	7,056	62,947	22,726	328,956	(62,947)	266,009
DEFERRED INFLOW OF RESOURCES	33,199	-	-	-	-	33,199	-	33,199
NET POSITION :								
Net Investment in Capital Assets	5,393,892	-	-	39,585	5,009	5,438,486	-	5,438,486
Restricted Net Position	-	-	15,621	-	-	15,621	-	15,621
Unrestricted Net Position	822,853	-	117,331	(62,947)	326,949	1,204,186	-	1,204,186
TOTAL NET POSITION	6,216,745	-	132,952	(23,362)	331,958	6,658,293	-	6,658,293
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 6,483,899	\$ 2,272	\$ 140,008	\$ 39,585	\$ 354,684	\$ 7,020,448	\$ (62,947)	\$ 6,957,501

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
FINANCIAL DATA SCHEDULE - REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
REVENUES:								
Net Tenant Rental Revenue	\$ 1,273,349	\$ -	\$ -	\$ -	\$ -	\$ 1,273,349	\$ -	\$ 1,273,349
Tenant Revenue - Other	86,432	-	-	-	-	86,432	-	86,432
Total Tenant Revenue	1,359,781	-	-	-	-	1,359,781	-	1,359,781
HUD PHA Operating Grants	1,973,881	5,077	2,948,382	-	-	4,927,340	-	4,927,340
Capital Grants	930,534	-	-	-	-	930,534	-	930,534
Management Fee	-	-	-	-	455,446	455,446	(455,446)	-
Asset Management Fee	-	-	-	-	43,760	43,760	(43,760)	-
Book Keeping Fee	-	-	-	-	64,755	64,755	(64,755)	-
Total Fees Revenue	-	-	-	-	563,961	563,961	(563,961)	-
Investment Income - Unrestricted	6,561	-	1,219	-	4,039	11,819	-	11,819
Fraud Recovery	-	-	7,364	-	-	7,364	-	7,364
Other Revenue	158,820	-	21,440	-	13,918	194,178	-	194,178
Investment Income - Restricted	-	-	296	-	-	296	-	296
TOTAL REVENUES	4,429,577	5,077	2,978,701	-	581,918	7,995,273	(563,961)	7,431,312
EXPENSES:								
Administrative								
Administrative Salaries	194,301	2,457	79,326	-	213,406	489,490	-	489,490
Auditing Fees	25,203	-	2,965	-	1,483	29,651	-	29,651
Management Fee	394,083	-	61,363	-	-	455,446	(455,446)	-
Book-keeping Fee	32,190	-	32,565	-	-	64,755	(64,755)	-
Advertising and Marketing	3,881	-	765	-	2,551	7,197	-	7,197
Employee Benefit Contributions - Administrative	60,201	2,620	50,141	-	87,309	200,271	-	200,271
Office Expenses	155,941	-	31,418	11,136	99,275	297,770	-	297,770
Legal Expense	9,135	-	-	5,348	18,200	32,683	-	32,683
Travel Expense	3,003	-	8,118	-	1,952	13,073	-	13,073
Other	4,812	-	3,464	6,270	1,411	15,957	-	15,957
Total Administrative Expense	882,750	5,077	270,125	22,754	425,587	1,606,293	(520,201)	1,086,092
Asset Management Fee	43,760	-	-	-	-	43,760	(43,760)	-
Tenant Services								
Tenant Services - Salaries	-	-	-	-	27,217	27,217	-	27,217
Employee Benefit Contributions - Tenant Services	-	-	-	-	7,283	7,283	-	7,283
Tenant Services - Other	717	-	-	-	37,627	38,344	-	38,344
Total Tenant Services	717	-	-	-	72,127	72,844	-	72,844
Utilities								
Water	128,963	-	-	-	762	129,725	-	129,725
Electricity	335,361	-	-	-	9,559	344,920	-	344,920
Gas	184,378	-	-	-	1,819	186,197	-	186,197
Sewer	342,462	-	-	-	989	343,451	-	343,451
Total Utilities	991,164	-	-	-	13,129	1,004,293	-	1,004,293
Ordinary Maintenance & Operations								
Ordinary Maintenance and Operations - Labor	224,352	-	-	-	-	224,352	-	224,352
Ordinary Maintenance and Operations - Materials and Other	151,381	-	-	-	62	151,443	-	151,443
Ordinary Maintenance and Operations Contracts	536,024	-	16,657	-	11,749	564,430	-	564,430
Employee Benefit Contributions - Ordinary Maintenance	91,152	-	-	-	-	91,152	-	91,152
Total Maintenance	1,002,909	-	16,657	-	11,811	1,031,377	-	1,031,377

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
FINANCIAL DATA SCHEDULE - REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
EXPENSES (continued):								
Protective Services								
Protective Services - Other Contract Costs	128,308	-	-	-	2,876	131,184	-	131,184
Total Protective Services	128,308	-	-	-	2,876	131,184	-	131,184
Insurance Premiums								
Property Insurance	48,991	-	1,324	-	8,138	58,453	-	58,453
Liability Insurance	3,182	-	582	-	1,032	4,796	-	4,796
Workmen's Compensation	19,224	-	4,258	-	7,743	31,225	-	31,225
All Other Insurance	373	-	16	-	86	475	-	475
Total insurance Premiums	71,770	-	6,180	-	16,999	94,949	-	94,949
General Expenses								
Other General Expenses	49,524	-	1,371	-	-	50,895	-	50,895
Payments in Lieu of Taxes	31,649	-	-	608	-	32,257	-	32,257
Bad debt - Tenant Rents	72,374	-	-	-	-	72,374	-	72,374
Total Other General Expenses	153,547	-	1,371	608	-	155,526	-	155,526
TOTAL OPERATING EXPENSES	3,274,925	5,077	294,333	23,362	542,529	4,140,226	(563,961)	3,576,265
EXCESS OPERATING REVENUE	1,154,652	-	2,684,368	(23,362)	39,389	3,855,047	-	3,855,047
Other Expenses								
Extraordinary Maintenance	76,985	-	-	-	-	76,985	-	76,985
Casualty Losses- Non-capitalized	900	-	-	-	-	900	-	900
Housing Assistance Payments	-	-	2,710,879	-	-	2,710,879	-	2,710,879
HAP Portability-In	-	-	18,692	-	-	18,692	-	18,692
Depreciation Expense	560,316	-	-	-	5,836	566,152	-	566,152
Total Other Expenses	638,201	-	2,729,571	-	5,836	3,373,608	-	3,373,608
TOTAL EXPENSES	3,913,126	5,077	3,023,904	23,362	548,365	7,513,834	(563,961)	6,949,873
EXCESS OF REVENUE OVER EXPENSES	516,451	-	(45,203)	(23,362)	33,553	481,439	-	481,439
Operating Transfer In	227,634	-	-	-	-	227,634	(227,634)	-
Operating transfer Out	(227,634)	-	-	-	-	(227,634)	227,634	-
Beginning Net Position	5,700,294	-	178,155	-	298,405	6,176,854	-	6,176,854
Ending Net Position	\$ 6,216,745	\$ -	\$ 132,952	\$ (23,362)	\$ 331,958	\$ 6,658,293	\$ -	\$ 6,658,293

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Identification Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD):			
Direct Programs:			
Public and Indian Housing	14.850	N/A	\$ 1,582,965
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	5,077
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	N/A	2,948,382
Public Housing Capital Fund	14.872	N/A	<u>1,321,450</u>
Total HUD Expenditures			<u>5,857,874</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,857,874</u></u>

HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Housing Authority of the City of Jeffersonville (the Authority) under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. SUBRECIPIENTS

The Authority did not pass through any federal awards to subrecipients during the year ended September 30, 2023.

NOTE 4. INDIRECT COST RATE

The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



RUBINO
STRENGTH IN NUMBERS

**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

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 business-type activities of the Housing Authority of the City of Jeffersonville (the Authority), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 14, 2024.

Report on 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

Bethesda, Maryland
June 14, 2024



RUBINO
STRENGTH IN NUMBERS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Jeffersonville's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned above the printed name and date.

Bethesda, Maryland
June 14, 2024

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2023**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditors’ report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material Weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 5. Type of auditors’ report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? | No |
| 7. Identification of major federal programs: | |

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing No.</u>
Housing Voucher Cluster	
Section 8 Housing Choice Vouchers	14.871
8. Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
9. Auditee qualified as low-risk auditee under Uniform Guidance, section 530?	Yes

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
SEPTEMBER 30, 2023**

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

**HOUSING AUTHORITY OF THE CITY OF JEFFERSONVILLE
SCHEDULE OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2023**

The audit for the year ended September 30, 2022, disclosed no findings.