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February 27, 2013

Board of Directors
Brazil Housing Authority
122 W. Jackson Street
Brazil, IN 47834

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period January 1, 2011 to December 31, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Brazil Housing Authority, as of December 31, 2011 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding, on page 35 of the report, which addresses an issue of noncompliance with federal award requirements.

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

STATE BOARD OF ACCOUNTS

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED DECEMBER 31, 2011

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

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Independent Auditor's Report

Board of Commissioners
Brazil Housing Authority
Brazil, Indiana

I have audited the accompanying financial statements of the Brazil Housing Authority, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Brazil Housing Authority's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

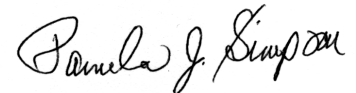
In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Brazil Housing Authority, as of December 31, 2011 and the respective changes in financial position and cash flows for the year end in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 24, 2012 on my consideration of the Brazil Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements with other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 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. I have applied certain limited procedures on 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial systems. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Brazil Housing Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Brazil Housing Authority. The accompanying financial data schedule and other additional statements and schedules listed as supplemental data in the table of contents has been subjected to the auditing procedures and certain other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, I do not express an opinion or provide any assurance on it.



Certified Public Accountant

Decatur, Illinois
May 24, 2012

**HOUSING AUTHORITY OF THE CITY OF BRAZIL
MANAGEMENT DISCUSSION AND ANALYSIS
FYE DECEMBER 31, 2011**

Management's Discussion and Analysis

As management of the Housing Authority of the City of Brazil, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the City of Brazil.

Overview of the Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Assets – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses, and Changes in Fund Net Assets reports the Authority's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows – reports the Authority's cash flows from operating, investing, capital and non-capital activities.
- Comparison of budget vs. actual – reports the Authority's actual operating revenues and expenses versus the budgeted amounts.

Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authorities finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of entity wide net assets, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net assets and changes in them. One can think of the Authority's net assets as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net assets analysis will assist the reader with measuring the health or financial position of the Authority.

Over time, significant changes in the Authorities net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any

**HOUSING AUTHORITY OF THE CITY OF BRAZIL
MANAGEMENT DISCUSSION AND ANALYSIS
FYE DECEMBER 31, 2011**

Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authorities capital assets.

To fully understand the financial statements of the Housing Authority, one must start with an understanding of what the Authority actual does. The following is a brief description of the programs and services that the Authority provides for the residents of Brazil City:

Low Income Public Housing

The Housing Authority owns 288 units at 4 sites in the City of Brazil. The Authority is responsible for the management, maintenance and utilities for all units and sites. On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has an Allowable Expense Level, Allowable Utilities Expense Level and Audit Costs and that HUD will fund the difference between the Allowable Expenses and the amount of rents that the Authority can charge the Authority's tenants.

Section 8 Housing Choice Vouchers

HUD has contracted with the Housing Authority support for 115 Housing Choice Vouchers. The Authority pays a Housing Assistance Payments to Landlords for Low Income tenants. The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay. For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Housing Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program.

Capital Fund/Comprehensive Grant Program

These grant programs are awarded by HUD on an annual basis. The purpose of these grants is to improve the Authority's sites and the management of the Authority. The Authority requisitions funds from HUD as the Authority expends funds.

State and Local Grants (Kruzan Street Rental Properties)

The Housing Authority was given two properties (516 and 522 W. Kruzan St. Brazil, IN) by the City of Brazil in January 2011. The two homes were newly constructed under the Neighborhood Stabilization Program (NSP). The Authority assumed all rights and responsibilities of these properties and must ensure the units are rented to families that meet the income qualifications of NSP Round 1 (at or below fifty percent of area median income). The Authority also agrees to (1) ensure units meet standards set forth in 24 CFR 92.251; (2) ensure that families who rent the units meet the affordability requirements; (3) comply with NSP published rent limits; and (4) comply with annual reporting requirements.

**HOUSING AUTHORITY OF THE CITY OF BRAZIL
MANAGEMENT DISCUSSION AND ANALYSIS
FYE DECEMBER 31, 2011**

Future Events

There are no future events planned by the Authority during the fiscal year ending December 31, 2012 that will significantly affect the Authority's Net Assets either positively or negatively.

Condensed Comparative Financial Statements

Analysis of Entity Wide Net Assets

Total Assets for FYE 2011 were \$6,080,921 and at FYE 2010 the amount was \$6,124,674. This represents a net decrease of \$43,753.

Cash & Investments increased by \$14,051. The Authority did not utilize 100% of its HAP Budget Authority.

Other Current Assets increased by \$13,099. The amount of prepaid expenses at the end of fiscal year ending December 31, 2011 increased as compared to December 31, 2010.

Capital Assets decreased by \$70,903. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities decreased by \$2,869. The Authority had a decrease in the amount of accounts payable as of December 31, 2011. The accounts payable balance represents invoices that are for 2011 expenses that will be paid in 2012.

The table below illustrates our analysis:

| | 2011 | 2010 | Net Change | Percent Variance |
|----------------------------|------------------|------------------|----------------|---------------------|
| Cash & Investments | 470,217 | 456,166 | 14,051 | 3% |
| Other Current Assets | 74,735 | 61,636 | 13,099 | 21% |
| Capital Assets | 5,535,969 | 5,606,872 | -70,903 | -1% |
| Total Assets | 6,080,921 | 6,124,674 | -43,753 | -1% |
| Current Liabilities | 113,528 | 116,397 | -2,869 | -3% |
| Total Liabilities | 113,528 | 116,397 | -2,869 | -3% |
| Invested in Capital Assets | 5,536,969 | 5,606,872 | -69,903 | -1% |
| Restricted Net Assets | 90,339 | 44,934 | 45,405 | 101% |
| Unrestricted Net Assets | 341,085 | 356,471 | -15,386 | -4% |
| Total Net Assets | 5,968,393 | 6,008,277 | -39,884 | -1% |

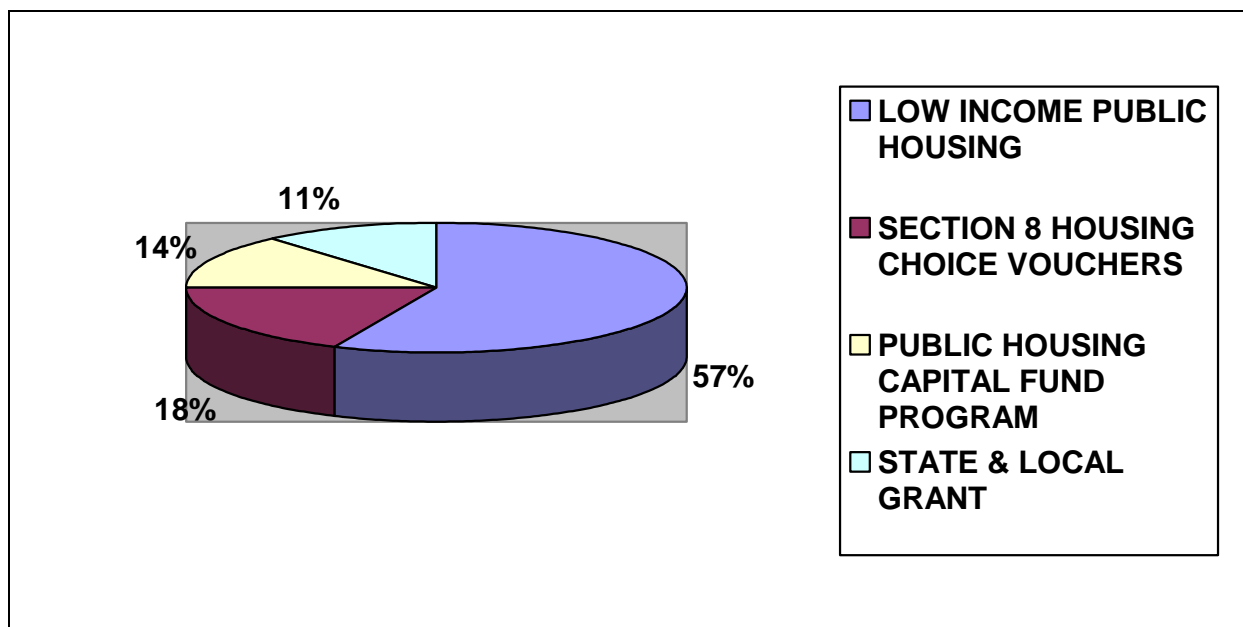
**HOUSING AUTHORITY OF THE CITY OF BRAZIL
MANAGEMENT DISCUSSION AND ANALYSIS
FYE DECEMBER 31, 2011**

Analysis of Entity Wide Revenues

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2011 were as follows:

| <u>Program</u> | <u>Revenues Generated</u> |
|-------------------------------------|-------------------------------|
| Low Income Public Housing | \$1,249,621 |
| Section 8 Housing Choice Vouchers | 407,012 |
| Public Housing Capital Fund Program | 299,856 |
| State & Local Grant | 253,235 |
| Total Revenue | <u>\$2,209,724</u> |

The diagram on the following page illustrates the percentage of revenues generated by these programs for Fiscal Year Ending December 31, 2011:



**HOUSING AUTHORITY OF THE CITY OF BRAZIL
MANAGEMENT DISCUSSION AND ANALYSIS
FYE DECEMBER 31, 2011**

Total tenant revenue increased by \$39,095. Total tenant revenue increased because of changes in tenant characteristics that caused higher rental charges to tenants as compared to the prior fiscal year, increased occupancy at Cooper Towers, and additional rent revenue from Kruzan Properties.

HUD Operating Grants decreased by \$32,706. The funding decrease is due to decreased funding availability by HUD.

HUD Capital Grants decreased by \$419,321. The Authority received additional funding from HUD from the Stimulus Formula Capital Grant the previous year.

Investment Income decreased by \$4,832. Investment income decreased because of decreasing interest rates available from banks.

The table below illustrates our analysis:

| | 2011 | 2010 | Net Change | Percentage Change |
|-----------------------------------|------------------|------------------|-----------------|----------------------|
| Total Tenant Revenue | 787,826 | 748,731 | 39,095 | 5% |
| HUD Operating Grants | 944,513 | 977,219 | -32,706 | -3% |
| HUD Capital Grants | 210,103 | 629,424 | -419,321 | -67% |
| Other Gov't Grants | 246,000 | 0 | 246,000 | |
| Investment Income | 5,195 | 10,027 | -4,832 | -48% |
| Other Revenue | 12,435 | 7,958 | 4,477 | 56% |
| Gain/loss on Sale of Fixed Assets | 3,652 | -510 | 4,162 | -816% |
| Total Revenue | <u>2,209,724</u> | <u>2,372,849</u> | <u>-163,125</u> | <u>-7%</u> |

**HOUSING AUTHORITY OF THE CITY OF BRAZIL
MANAGEMENT DISCUSSION AND ANALYSIS
FYE DECEMBER 31, 2011**

Analysis of Entity Wide Expenditures

Total Expenditures for Fiscal Year Ending December 31, 2011 were \$2,240,684 as compared to the \$2,183,000 of total expenditures for Fiscal Year Ending December 31, 2010. Comparatively, Fiscal Year Ending 2011 expenditures increased from Fiscal Year Ending 2010 expenditures by \$57,684 or 3%.

Utility Expenses increased by \$22,142 or 9%. The increase in utility expenses is due to slight increases in utility consumption by tenants and slight rate increases.

The table below illustrates our analysis:

| | 2011 | 2010 | Net Change | Percent Variances |
|-----------------------------|-------------------------|---------------------------|----------------------|------------------------------|
| Administrative | 453,942 | 436,907 | 17,035 | 4% |
| Tenant Services | 51,047 | 56,354 | (5,307) | -9% |
| Utilities | 271,043 | 248,901 | 22,142 | 9% |
| Maintenance | 432,046 | 437,412 | (5,366) | -1% |
| General Expenses | 152,476 | 128,045 | 24,431 | 19% |
| Casualty Loss Proceeds | (8,600) | 0 | (8,600) | 100% |
| Housing Assistance Payments | 349,224 | 355,570 | (6,346) | -2% |
| Depreciation Expense | 539,506 | 519,811 | 19,695 | 4% |
| | <u>2,240,684</u> | <u>\$2,183,000</u> | <u>57,684</u> | <u>3%</u> |

**HOUSING AUTHORITY OF THE CITY OF BRAZIL
MANAGEMENT DISCUSSION AND ANALYSIS
FYE DECEMBER 31, 2011**

Analysis of Capital Asset and Long-Term Debt Activity

Buildings increased by \$425,482. The Authority capitalized construction projects started and completed in fiscal year ending 2011 and capitalized construction in process from the prior year that were completed in fiscal year ending 2011. PHA also obtained a building for its State and Local Program.

Furniture, Equipment & Machinery – Dwelling There was no change in 2011.

Furniture, Equipment & Machinery – Administration decreased by a net amount \$15,260. The Authority disposed of equipment that was no longer in service.

Accumulated Depreciation increased by \$491,846. The Authority's depreciation expense for the fiscal year ending December 31, 2011 was \$539,506. Accumulated depreciation decreased because of the disposal of fixed assets.

| | 2011 | 2010 | Net Change | Percent Variance |
|---|-------------------|-------------------|-----------------|---------------------|
| Land | 198,125 | 173,525 | 24,600 | 14.2% |
| Buildings | 14,945,304 | 14,519,822 | 425,482 | 2.9% |
| Furniture, Equip., & Mach. - Dwelling | 499,946 | 499,946 | 0 | 0.0% |
| Furniture, Equip., & Mach. - Administrative | 313,305 | 328,407 | (15,102) | -4.6% |
| Construction In Process | 0 | 14,037 | (14,037) | -100.0% |
| Total Fixed Assets | 15,956,680 | 15,535,737 | 420,943 | 2.7% |
| Accumulated Depreciation | 10,420,711 | 9,928,865 | 491,846 | 5.0% |
| Net Fixed Assets | 5,535,969 | 5,606,872 | (70,903) | -1.3% |

Outstanding Debt

As of December 31, 2011, the Authority had no outstanding long-term debt.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
AS OF DECEMBER 31, 2011**

ASSETS

CURRENT ASSETS

| | |
|--|-----------------------|
| Cash | \$ 60,876 |
| Accounts receivable (interfund eliminated) | 5,931 |
| Accrued interest receivable | 878 |
| Investments | 316,420 |
| Inventory (net of obsolete inventories) | 18,634 |
| Deferred charges | <u>49,292</u> |
| Total Current Assets | <u>\$ 452,031</u> |

RESTRICTED ASSETS

| | |
|-----------------------------|----------------------|
| Cash | \$ 35,628 |
| Investments | <u>57,293</u> |
| Total Restricted Assets | <u>\$ 92,921</u> |

CAPITAL ASSETS

| | |
|--------------------------------|-------------------------|
| Land, buildings and equipment | \$ 15,956,680 |
| Less: Accumulated depreciation | <u>-10,420,711</u> |
| Net Capital Assets | <u>\$ 5,535,969</u> |
| Total Assets | <u>\$ 6,080,921</u> |

LIABILITIES

CURRENT LIABILITIES

| | |
|---|-----------------------|
| Accounts payable (interfund eliminated) | \$ 67,414 |
| Accrued liabilities | 43,511 |
| Deferred revenue | <u>2,603</u> |
| Total Current Liabilities | <u>\$ 113,528</u> |

NET ASSETS

| | |
|----------------------------|--------------------------------|
| Invested in capital assets | \$ 5,535,969 |
| Restricted net assets | 90,339 |
| Unrestricted net assets | <u>341,085</u> |
| Total Net Assets | <u><u>\$ 5,967,393</u></u> |

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Operating Income

| | |
|--------------------------------------|-------------------------|
| Tenant rental revenue | \$ 695,881 |
| Tenant revenue - other | <u>91,945</u> |
| Total Rental Income | \$ 787,826 |
| HUD operating grants | 944,513 |
| Other government grants | 246,000 |
| Other revenue | 12,435 |
| Gain or loss on sale of fixed assets | <u>3,652</u> |
| Total Operating Income | <u>\$ 1,994,426</u> |

Operating Expenses

| | |
|------------------------------------|-------------------------|
| Administration | \$ 453,942 |
| Tenant services | 51,047 |
| Utilities | 271,043 |
| Ordinary maintenance and operation | 432,046 |
| General expense | 152,476 |
| Casualty loss proceeds | -8,600 |
| Housing assistance payments | 349,224 |
| Depreciation | <u>539,506</u> |
| Total Operating Expenses | <u>\$ 2,240,684</u> |
| Net Operating Income (Loss) | \$ -246,258 |

Nonoperating Income (Expense)

| | |
|-----------------|-------|
| Interest income | 5,195 |
|-----------------|-------|

Capital Contributions

| | |
|-------------------------------|-------------------------|
| Capital fund grants | <u>210,103</u> |
| Changes in net assets | \$ -30,960 |
| Net assets, beginning of year | <u>5,998,353</u> |
| Net assets, end of year | <u>\$ 5,967,393</u> |

The notes to financial statements are an integral part of this statement.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Operating Activities

| | |
|--|-------------------|
| Operating grants | \$ 1,190,513 |
| Tenant revenue | 788,949 |
| Other revenue | 14,441 |
| Housing assistance payments | -349,224 |
| Payments to employees | -368,803 |
| Payments to suppliers and contractors | <u>-1,015,718</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 260,158</u> |

Investing Activities

| | |
|--|------------------|
| Investments (purchased) redeemed | \$ 29,676 |
| Interest income | <u>6,341</u> |
| Net Cash Provided (Used) by Investing Activities | <u>\$ 36,017</u> |

Capital and Related Financing Activities

| | |
|---|-------------------------|
| Capital funds grants | \$ 210,103 |
| (Additions) deletions of fixed assets | <u>-468,603</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>\$ -258,500</u> |
| Net Change in Cash | \$ 37,675 |
| Cash Balance at December 31, 2010 | <u>58,829</u> |
| Cash Balance at December 31, 2011 | <u><u>\$ 96,504</u></u> |

The notes to financial statements are an integral part of this statement.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Reconciliation of Operating Income (Loss) to Net Cash
Provided (Used) by Operating Activities

| | |
|---|-------------------|
| Net operating income (loss) | \$ -246,258 |
| Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities: | |
| Depreciation | 539,506 |
| (Increase) decrease in accounts receivable | -523 |
| (Increase) decrease in deferred charges | -19,843 |
| (Increase) decrease in inventories | -298 |
| Increase (decrease) in accounts payable | 3,136 |
| Increase (decrease) in accrued liabilities | -15,901 |
| Increase (decrease) in deferred revenues | <u>339</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 260,158</u> |

The notes to financial statements are an integral part of this statement.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Note 1 - Summary of Significant Accounting Policies

(a) Organization -

The Brazil Housing Authority was established by the City of Brazil pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Housing Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other applicable Federal Agencies.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) had direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into a contract with the Authority for the purpose of assisting in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the program for the purpose of maintaining its low-rent character.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City of Brazil and concluded that the City does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the Mayor, is responsible for 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.

The Authority is governed by a Board of Commissioners appointed by the office of the Mayor, and has governance responsibilities over all activities related to all housing activities within the City. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the Mayor, i.e. they can only be removed for cause. The Authority's Board elects its own chairperson.

Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Brazil Housing Authority is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

(b) Method of Accounting -

The financial statements of the Housing Authority have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

The Housing Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case, GASB prevails.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(c) Financial Statement Presentation

Although a formal policy has not been adopted, in financial statement preparation 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, maintenance, insurance, depreciation, utilities, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

(d) Funds -

Each of the programs of the Housing Authority are organized on a basis of fund accounting, using a separate set of self balancing accounts as prescribed by HUD. The programs of the Housing Authority are:

- * Low Rent Public Housing
- * Housing Choice Vouchers
- * Capital Fund Program
- * State and Local

These programs are all accounted for within the 'Proprietary' (enterprise) fund as described below:

Proprietary Fund Types:

Proprietary funds use the economic resources measurement focus and utilize the accrual basis of accounting. All assets and liabilities associated with a proprietary fund's activities are included on the fund statement. Proprietary fund equity is segregated into Invested in Capital Assets Net of Related Debt, Restricted Net Assets and Unrestricted Net Assets.

(e) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the practice of the Housing Authority is to consider all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of one (1) month or less when purchased to be cash equivalents.

(f) Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net assets and have been eliminated in the basic financial statements.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(g) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at December 31, 2011, and does not take into consideration prepaid amounts. The Housing Authority provides for an allowance for doubtful accounts, based on the estimated collections of current accounts receivables. The Housing Authority periodically writes off uncollectible accounts receivable to the allowance account based on a review of the current status of existing receivables and the determination that the receivable will not be collected.

(h) Inventories and Materials -

Inventories and materials are stated at cost which approximates market determined on a first-in, first-out basis.

(i) Investments -

Investments are stated at cost which approximates market.

(j) Fixed Assets -

For the purpose of determining, distinguishing and recording materials and non-expendable equipment and personal property purchased or acquired in connection with development, management, and maintenance of public housing developments owned or operated, the Housing Authority follows the following capitalization policy:

If the anticipated life or useful life of equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

Land, buildings and equipment contains the following:

- 1) The total development construction costs incurred for each project at the end of the initial operating period,
- 2) nonexpendable equipment, and
- 3) property betterments and additions
- 4) land acquisitions.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(j) Fixed Assets (continued) -

These are recorded at cost. Depreciation of property and equipment is provided using the straight line method for financial reporting purposes at rates based on the following estimates:

| | |
|--------------------------|--------------|
| Buildings | 40 years |
| Equipment | 5 - 10 years |
| Transportation equipment | 5 years |
| Furniture and fixtures | 10 years |
| Leasehold improvements | 15 years |

(k) Net Assets -

GASB Statement 34 requires the classification of net assets into three components as defined below:

- 1) Invested in capital assets, net of related debt - this component of net assets consists of capital assets, net of accumulated depreciation, costs to be recovered from future revenues and unamortized debt expense reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 2) Restricted - this component of net assets consist of constraints placed on net assets use through external constraints imposed by creditors, contributors or laws and regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted - this component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(l) Income Tax -

The Authority, organized as a non-profit corporation subsidized by the Federal government, is exempt from Federal and State income taxes.

(m) Annual Contributions/Subsidies and Other Grants

Annual contributions and subsidies received from the Department of HUD are recorded as grant revenues.

Other grants (such as CFP grants) are recognized when program expenditures are incurred. Such revenue is subject to review by the Department of Housing and Urban Development and may result in disallowance in subsequent periods.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

- (n) The Housing Authority adopts a budget annually. The budget is submitted to the Board of Commissioners for approval. Subsequent budget revisions may also be required to be submitted to the Board for approval.
- (o) The preparation of financial statements in conformity with generally accepted accounting principles require the Housing Authority to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (p) Leasing activities (as lessor) - the Authority is the lessor of dwelling units mainly to low income and/or elderly and disables residents. The rents under the lease are determined generally by the resident's income as adjusted by eligible deductions regulated by HUD, although the resident may elect for a flat rent option. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.
- (q) Rental income is recognized as rents become due.
- (r) At any time during the year and at year end, there are construction projects in process. These projects include modernizing rental units. The projects are funded by HUD and funds are requested periodically as costs are incurred.

Note 2 - Cash and Investments

Statutes authorize the Housing 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 the depository financial institutions. The deposits exceeding the insured or registered limits are public funds covered by the State of Indiana Public Deposit Fund.

Custodial Credit Risk

- a. Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to or that the Authority will not be able to recover collateral securities in the possession of an outside party.
- b. Investments - Custodial credit risk is the risk that in the event of the failure of the depository, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

Credit Risk Investments, Concentration of Credit Risk and Interest Rate Risks - Investments

Credit Risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Housing Authority has no investment policy that limits its investment choices other than the limitation of state law and/or the Department of Urban Development regulations.

Concentrations of Credit Risk is the risk of loss attributed to the amount of the investment in a single issuer. The Authority does not have a formal investment policy covering the concentration of credit risk.

Investment Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Authority has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1 - Deposits which are insured or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.
- Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name.
- Category 3 - Deposits which are not collateralized or insured.

Based on the three levels of risk, all of the Housing Authority's funds are classified as Category 1.

| <u>Program</u> | <u>Book Balance</u> | <u>Bank Balance</u> |
|---------------------------------------|---------------------|---------------------|
| Low Rent | \$ 61,243 | \$ 135,923 |
| Voucher (restricted and unrestricted) | 33,025 | 33,025 |
| State and Local | <u>2,236</u> | <u>2,346</u> |
| Total | <u>\$ 96,504</u> | <u>\$ 171,294</u> |

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

Similar to cash deposits, investments held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Investments that are insured, registered or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority’s name.

Category 2 - Investments which are uninsured and unregistered held by the counter-party’s trust department or agent in the Housing Authority’s name.

Category 3 - Uninsured or unregistered investments held by the counter-party, its trust or its agent, but not in the Housing Authority’s name.

Based on the three levels of risk, all of the Housing Authority’s investments are classified as Category 1.

| <u>Program</u> | <u>Book Balance</u> | <u>Market Value</u> |
|----------------|---------------------|---------------------|
| Low Rent | \$ 316,420 | \$ 316,420 |
| Voucher | <u>57,293</u> | <u>57,293</u> |
| Total | <u>\$ 373,713</u> | <u>\$ 373,713</u> |

Note 3 - Compensated Absences

All regular full-time employees will be eligible for paid annual leave as follows:

| | |
|---------------|---------|
| Years 1-3 | 12 days |
| Years 4-15 | 18 days |
| Over 15 years | 24 days |

To recognize commitment to the agency, the Authority does increase the paid annual leave effective the 4th and 16th year of service. Employees will first earn and have these bonus days posted to their account on the anniversary of their employment date on the 4th and 16th year. Thereafter the days will be posted on the 1st of January.

The Housing Authority requires all employees to take their annual/vacation leave each year as earned; however, if business circumstances prohibit employees from using their annual leave, carryover of not more than 5 days may be permitted with the prior approval of the Executive Director.

Vacation Leave

Employees will not earn vacation during their first three months of the probationary period. Accrual begins the 1st day of the fourth month of employment.

Sick Leave

Employees shall begin accruing sick leave at the rate of one (1) day per month, after they have satisfactorily completed the first three months of the probationary period.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 4 - Defined Contribution Plan

The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan with Life Associates as the administrator. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after 90 days. The plan requires the Housing Authority and the employee to contribute 7.5% and 5.5% of covered wages, respectively. The amounts contributed for the twelve months ended December 31, 2011 were \$26,611 and \$20,591. The total annual payroll expense was \$368,082. Employees become 100% vested upon starting the plan.

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

| | |
|-------------------------------------|-------------------------|
| Accounts receivable - miscellaneous | \$ 1,000 |
| Tenants accounts receivable | 7,304 |
| Allowance for doubtful accounts | -3,574 |
| Fraud recovery | <u>1,201</u> |
| Subtotal | \$ 5,931 |
| Interfund | <u>5,338</u> |
| Total | <u><u>\$ 11,269</u></u> |

Note 6 - Investments

At December 31, 2011 investments consist of the following:

| | <u>Rate</u> | |
|-------------------------|--------------|-------------------|
| Certificate of deposits | 0.50 - 0.75% | <u>\$ 373,713</u> |

Note 7 - Deferred Charges

This classification includes the following accounts:

| | |
|-------------------|-------------------------|
| Prepaid insurance | \$ 14,417 |
| Other | <u>34,875</u> |
| Total | <u><u>\$ 49,292</u></u> |

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 8 - Fixed Assets

| | |
|---------------------------------|-------------------|
| Balance as of December 31, 2011 | \$ 5,535,969 |
| Balance as of December 31, 2010 | <u>5,606,872</u> |
| Net Increase (Decrease) | <u>\$ -70,903</u> |

Reconciliation

| | |
|------------------------------------|-------------------|
| Property betterments and additions | \$ 468,603 |
| Current year depreciation expense | <u>-539,506</u> * |
| Net Increase (Decrease) | <u>\$ -70,903</u> |

| <u>Analysis</u> | <u>01/01/2011 Balance</u> | <u>Additions/ Transfers</u> | <u>Deletions/ Transfers</u> | <u>12/31/2011 Balance</u> |
|--------------------------|-------------------------------|---------------------------------|---------------------------------|-------------------------------|
| Land | \$ 173,525 | \$ 24,600 | \$ 0 | \$ 198,125 |
| Buildings | 14,519,822 | 425,482 | 0 | 14,945,304 |
| Equipment and furniture | 828,511 | 33,407 | 48,667 | 813,251 |
| Construction in progress | <u>14,037</u> | <u>210,103</u> | <u>224,140</u> | <u>0</u> |
| Subtotal | \$ 15,535,895 | \$ 693,592 | \$ 272,807 | \$ 15,956,680 |
| Accumulated depreciation | <u>-9,929,023</u> | <u>-539,506</u> * | <u>-47,818</u> | <u>-10,420,711</u> |
| Total | <u>\$ 5,606,872</u> | <u>\$ 154,086</u> | <u>\$ 224,989</u> | <u>\$ 5,535,969</u> |

*Current year depreciation expense recognized.

Note 9 - Accounts Payable

This classification includes the following accounts:

| | |
|-----------------------------|------------------|
| Vendors and contractors | \$ 4,769 |
| Tenants security deposits | 35,925 |
| Accrued liabilities - other | <u>26,720</u> |
| Subtotal | \$ 67,414 |
| Interfund | <u>5,338</u> |
| Total | <u>\$ 72,752</u> |

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 10 - Notes Payable

On August 4, 1987, the U.S. Department of Housing and Urban Development (HUD) issued notice PIH 87-212 to implement the provisions of the Housing and Community Development Reconciliation Amendments of 1985 (PL 99-272, enacted April 7, 1986). This notice states, in part, the following:

Project debt to HUD (HUD-held notes) will be forgiven after a debt forgiveness amendment to the consolidated Annual Contributions Contract has been executed by HUD and the Public Housing Authority and after the Actual Development Cost Certificate has been included in an audit and approved.

As a part of the HUD mandated GAAP conversion and the above referenced notice, all HUD-held notes were recorded as debt forgiveness during a prior fiscal year.

Note 11 - Accrued Liabilities

Accrued liabilities consists of the following:

| | |
|--------------------------|------------------|
| Payment in lieu of taxes | <u>\$ 43,511</u> |
|--------------------------|------------------|

Note 12 - Deferred Revenue

This classification consists of the following accounts:

| | |
|----------------------|-----------------|
| Tenants prepaid rent | <u>\$ 2,603</u> |
|----------------------|-----------------|

Note 13 - Allocation of Costs

The PHA allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program. Management considers this to be an equitable method of allocation.

Note 14 - Contingencies

Federal Grants

In the normal course of operations, the Housing Authority receives grant funds from the Department of Housing and Urban Development. The programs are subject to audit by agents of HUD, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 15 - Contracts/Commitments

As of December 31, 2011, the Housing Authority had entered into the following pending construction projects in progress:

| | <u>Funds Approved</u> | <u>Funds Expended To Date</u> |
|------------|---------------------------|-----------------------------------|
| CFP 501-11 | <u>\$ 326,800</u> | <u>\$ 144,197</u> |

Note 16 - Risk Management

The Housing Authority carries commercial insurance coverage to cover exposure and the risk of losses related to torts, thefts, damages, destruction of assets, errors and omissions, injuries, natural disasters and defalcation.

For insured programs there has been no significant reduction in insurance coverage. Settled claims have not exceeded insurance coverage or the risk pool coverage in the current or past three years.

Note 17 - Economic Dependency

The Housing Authority received some of its revenue (52%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

SUPPLEMENTAL DATA

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011**

| <u>Federal Grantor/Program</u> | <u>Federal CFDA Number</u> | <u>Contract Number</u> | <u>Grant Period</u> | <u>Program Amount</u> | <u>Receipts or Revenue Recognized</u> | <u>Disbursements/ Expenditures</u> |
|------------------------------------|--------------------------------|----------------------------|-------------------------|---------------------------|---|--|
| <u>U.S. Department of HUD</u> | | | | | | |
| Direct Programs: | | | | | | |
| Public and Indian Housing* | 14.850a | C-913 | FYE 12/31/11 | \$ 450,349 | \$ 450,349 | \$ 450,349 |
| Housing Choice Voucher Program* | 14.871 | C-2040 | FYE 12/31/11 | \$ 404,411 | \$ 404,411 | \$ 388,473 |
| Capital Funds Program | 14.872 | C-913 | FYE 12/31/11 | \$ 1,151,924 | \$ 299,856 | \$ 299,856 |
| Total Housing Assistance | | | | <u>\$ 2,006,684</u> | <u>\$ 1,154,616</u> | <u>\$ 1,138,678</u> |

*Denotes major program.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P035501-09**

1. The Actual Modernization Costs of Phase IN36P035501-09 are as follows:

| | |
|--------------------------|--------------------|
| Funds approved | \$ 418,294 |
| Funds expended | <u>418,294</u> |
| Excess of Funds Approved | <u><u>\$ 0</u></u> |
| Funds advanced | |
| Project notes, non-HUD | \$ 418,294 |
| Funds expended | <u>418,294</u> |
| Excess of Funds Advanced | <u><u>\$ 0</u></u> |

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated March 17, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P035501-10**

1. The Actual Modernization Costs of Phase IN36P035501-10 are as follows:

| | |
|--------------------------|--------------------|
| Funds approved | \$ 406,830 |
| Funds expended | <u>406,830</u> |
| Excess of Funds Approved | <u><u>\$ 0</u></u> |
| Funds advanced | |
| Project notes, non-HUD | \$ 406,830 |
| Funds expended | <u>406,830</u> |
| Excess of Funds Advanced | <u><u>\$ 0</u></u> |

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated September 30, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**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
Brazil Housing Authority
Brazil, Indiana

I have audited the financial statements of Brazil Housing Authority as of and for the year ended December 31, 2011, and have issued my report thereon dated May 24, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Brazil Housing Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Brazil Housing Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Brazil Housing Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brazil Housing Authority's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, and Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

Decatur, Illinois
May 24, 2012

Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Commissioners
Brazil Housing Authority
Brazil, Indiana

Compliance

I have audited Brazil Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Brazil Housing Authority's major federal programs for the year ended December 31, 2011. Brazil Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Brazil Housing Authority's management. My responsibility is to express an opinion on Brazil Housing Authority's compliance based on my audit.

I conducted my 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. Those standards and OMB Circular A-133 require that I 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 Brazil Housing Authority's compliance with those requirement and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Brazil Housing Authority's compliance with those requirements.

In my opinion, Brazil Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items (2011-1).

Internal Control Over Compliance

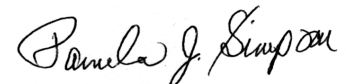
Management of Brazil Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Brazil Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Brazil Housing 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be *material weaknesses*, as defined above.

Brazil Housing Authority's responses to the finding identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Brazil Housing Authority's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, Housing and Urban Development, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

Decatur, Illinois
May 24, 2012

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended December 31, 2010 contained one finding.

Finding 2010-1: Incomplete Section 8 Participant Files

HUD regulations require that all participant files contain adequate documentation to support a participant's eligibility and the accurate calculation of Housing Assistance Payments (HAP). During the test of participant eligibility incomplete documentation and incorrect calculations of HAP was noted in several files. Participant eligibility could not be adequately determined. This finding is considered closed.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report: Unqualified

* Material weakness(es) identified? _____ yes X no

* Significant deficiency (ies) identified? _____ 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? X yes _____ none reported

Type of auditor's 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 OMB Circular A-133? X yes _____ no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 14.850a | Public and Indian Housing |
| 14.871 | Housing Choice Voucher Program |

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

Auditee qualified as low-risk auditee? _____ yes X no

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

CURRENT FINDINGS AND RECOMMENDATIONS

Section II - Financial Statement Findings

There were no financial statement audit findings discussed with Michael K. Hagemeyer, Executive Director or Crissy Lawson, Director of Finance, during the course of the audit and at an exit conference held May 24, 2012.

Section III - Federal Award Findings

There was one federal award audit finding discussed with Michael K. Hagemeyer, Executive Director or Crissy Lawson, Director of Finance, during the course of the audit and at an exit conference held May 24, 2012.

Finding 2011-1: Housing Voucher Program Administrative Fee Equity (continuation of 2010-1)

Condition and Criteria: HUD provides the Housing Authority with Administrative Fee Subsidy to cover administrative/operating expenditures of the Housing Voucher Program. At the end of the year, the Administrative Equity of the Housing Authority showed a deficit balance of \$3,840. Under HUD requirements, each housing authority is to administer the program within the budget (subsidy) provided.

Effect: The Housing Authority is operating the program with funds 'borrowed' from the Restricted HAP Equity or other programs.

Cause: The Housing Authority has failed to monitor expenses to ensure that the program was run efficiently and within the budget provided by HUD. The Housing Authority is not properly managing cash flows.

Auditor's Recommendation: The Administration and the Board of the Housing Authority must monitor agency expenditures. The allocation of shared expenses should be closely scrutinized to assure that only necessary and reasonable expenditures are being approved. In 2011, the administrative fee subsidy will be paid based on unit months leased, therefore, the PHA should also make every effort to continue to increase its units leased to the maximum, thus increasing administrative fees earned.

Grantee Response: Every effort is being made to run all of the Housing Authority programs economically and efficiently during 2012 with close review of expenditures by the Administration and Board of Commissioners so that the 2011 deficit will be reduced during the current year.

**BRAZIL HOUSING AUTHORITY
BRAZIL, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
DECEMBER 31, 2011**

| <u>Low Rent</u> | <u>Audit Account Number</u> | <u>Debit</u> | <u>Credit</u> | <u>Posting Account Number</u> |
|--|---------------------------------|--------------|---------------|-----------------------------------|
| (1) | | | | |
| Accrued interest receivable | 1145 | \$ 755.46 | | 1145 |
| General fund investments | 1162 | | \$ 129.30 | 1162 |
| Interest on investments | 3610 | | 626.16 | 2806 |
| (To adjust investments to actual per reports from banks showing interest payments) | | | | |
| (2) | | | | |
| CF2009 - accumulated depreciation | 1509-1400.5 | \$ 17,467.65 | | 1400.5 |
| CF2010 - accumulated depreciation | 1510-1400.5 | 16,398.73 | | 1400.5 |
| CF2011 - accumulated depreciation | 1511-1400.5 | 3,650.75 | | 1400.5 |
| Depreciation expense | 4800 | 23,512.24 | | 1400.5 |
| CF2009 - depreciation expense | 1509-4800 | | \$ 17,467.65 | 2802 |
| CF2010 - depreciation expense | 1510-48000 | | 16,398.73 | 2802 |
| CF2011 - depreciation expense | 1511-4800 | | 3,650.75 | 2802 |
| Accumulated depreciation | 1400.5 | | 23,512.24 | 1400.5 |
| (To adjust accumulated depreciation) | | | | |

Brazil Housing Authority (IN035)

BRAZIL, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

| | Project Total | 14.871 Housing Choice Vouchers | 2 State/Local | Subtotal | ELIM | Total |
|---|---------------|-----------------------------------|---------------|---------------|----------|---------------|
| 111 Cash - Unrestricted | \$23,115 | | \$1,836 | \$24,951 | | \$24,951 |
| 112 Cash - Restricted - Modernization and Development | | | | | | |
| 113 Cash - Other Restricted | | \$33,025 | | \$33,025 | | \$33,025 |
| 114 Cash - Tenant Security Deposits | \$35,525 | | \$400 | \$35,925 | | \$35,925 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$2,603 | | | \$2,603 | | \$2,603 |
| 100 Total Cash | \$61,243 | \$33,025 | \$2,236 | \$96,504 | \$0 | \$96,504 |
| 121 Accounts Receivable - PHA Projects | | | | | | |
| 122 Accounts Receivable - HUD Other Projects | | | | | | |
| 124 Accounts Receivable - Other Government | | | | | | |
| 125 Accounts Receivable - Miscellaneous | \$1,000 | | | \$1,000 | | \$1,000 |
| 126 Accounts Receivable - Tenants | \$7,076 | | \$228 | \$7,304 | | \$7,304 |
| 126.1 Allowance for Doubtful Accounts - Tenants | -\$3,574 | | \$0 | -\$3,574 | | -\$3,574 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | | |
| 128 Fraud Recovery | | \$1,201 | | \$1,201 | | \$1,201 |
| 128.1 Allowance for Doubtful Accounts - Fraud | | \$0 | | \$0 | | \$0 |
| 129 Accrued Interest Receivable | \$755 | \$123 | | \$878 | | \$878 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$5,257 | \$1,324 | \$228 | \$6,809 | \$0 | \$6,809 |
| 131 Investments - Unrestricted | \$316,420 | | | \$316,420 | | \$316,420 |
| 132 Investments - Restricted | | \$57,293 | | \$57,293 | | \$57,293 |
| 135 Investments - Restricted for Payment of Current Liability | | | | | | |
| 142 Prepaid Expenses and Other Assets | \$48,876 | \$195 | \$221 | \$49,292 | | \$49,292 |
| 143 Inventories | \$21,065 | | | \$21,065 | | \$21,065 |
| 143.1 Allowance for Obsolete Inventories | -\$2,431 | | | -\$2,431 | | -\$2,431 |
| 144 Inter Program Due From | \$5,338 | | | \$5,338 | -\$5,338 | \$0 |
| 145 Assets Held for Sale | | | | | | |
| 150 Total Current Assets | \$455,768 | \$91,837 | \$2,685 | \$550,290 | -\$5,338 | \$544,952 |
| 161 Land | \$173,525 | | \$24,600 | \$198,125 | | \$198,125 |
| 162 Buildings | \$14,723,904 | | \$221,400 | \$14,945,304 | | \$14,945,304 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$499,946 | | | \$499,946 | | \$499,946 |
| 164 Furniture, Equipment & Machinery - Administration | \$313,147 | \$158 | | \$313,305 | | \$313,305 |
| 165 Leasehold Improvements | | | | | | |
| 166 Accumulated Depreciation | -\$10,415,215 | -\$158 | -\$5,338 | -\$10,420,711 | | -\$10,420,711 |
| 167 Construction in Progress | | | | | | |
| 168 Infrastructure | | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$5,295,307 | \$0 | \$240,662 | \$5,535,969 | \$0 | \$5,535,969 |
| 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 | \$5,295,307 | \$0 | \$240,662 | \$5,535,969 | \$0 | \$5,535,969 |
| 190 Total Assets | \$6,751,075 | \$91,837 | \$243,347 | \$6,086,259 | -\$5,338 | \$6,080,921 |

Brazil Housing Authority (IN035)
 BRAZIL, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | Subtotal | ELIM | Total |
|---|---------------|-----------------------------------|---------------|-------------|----------|-------------|
| 311 Bank Overdraft | | | | | | |
| 312 Accounts Payable <= 90 Days | \$4,769 | | | \$4,769 | | \$4,769 |
| 313 Accounts Payable >90 Days Past Due | | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | | | | | | |
| 322 Accrued Compensated Absences - Current Portion | | | | | | |
| 324 Accrued Contingency Liability | | | | | | |
| 325 Accrued Interest Payable | | | | | | |
| 331 Accounts Payable - HUD PHA Programs | | | | | | |
| 332 Account Payable - PHA Projects | | | | | | |
| 333 Accounts Payable - Other Government | \$43,511 | | | \$43,511 | | \$43,511 |
| 341 Tenant Security Deposits | \$35,525 | | \$400 | \$35,925 | | \$35,925 |
| 342 Deferred Revenues | \$2,603 | | | \$2,603 | | \$2,603 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds | | | | | | |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | | |
| 345 Other Current Liabilities | | | | | | |
| 346 Accrued Liabilities - Other | \$26,720 | | | \$26,720 | | \$26,720 |
| 347 Inter Program - Due To | | \$5,338 | | \$5,338 | -\$5,338 | \$0 |
| 348 Loan Liability - Current | | | | | | |
| 310 Total Current Liabilities | \$113,128 | \$5,338 | \$400 | \$118,866 | -\$5,338 | \$113,528 |
| 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 | | | | | | |
| 355 Loan Liability - Non Current | | | | | | |
| 356 FASB 5 Liabilities | | | | | | |
| 357 Accrued Pension and OPEB Liabilities | | | | | | |
| 350 Total Non-Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 300 Total Liabilities | \$113,128 | \$5,338 | \$400 | \$118,866 | -\$5,338 | \$113,528 |
| 508.1 Invested In Capital Assets, Net of Related Debt | \$5,295,307 | | \$240,662 | \$5,535,969 | | \$5,535,969 |
| 509.2 Fund Balance Reserved | | | | | | |
| 511.2 Unreserved, Designated Fund Balance | | | | | | |
| 511.1 Restricted Net Assets | \$0 | \$90,339 | | \$90,339 | | \$90,339 |
| 512.1 Unrestricted Net Assets | \$342,640 | -\$3,840 | \$2,285 | \$341,085 | | \$341,085 |
| 512.2 Unreserved, Undesignated Fund Balance | | | | | | |
| 513 Total Equity/Net Assets | \$5,637,947 | \$86,499 | \$242,947 | \$5,967,393 | \$0 | \$5,967,393 |
| 600 Total Liabilities and Equity/Net Assets | \$5,751,075 | \$91,837 | \$243,347 | \$6,086,259 | -\$5,338 | \$6,080,921 |

Brazil Housing Authority (IN035)
 BRAZIL, IN
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | Subtotal | ELIM | Total |
|---|---------------|-----------------------------------|---------------|-------------|------|-------------|
| 70300 Net Tenant Rental Revenue | \$689,006 | | \$6,875 | \$695,881 | | \$695,881 |
| 70400 Tenant Revenue - Other | \$91,587 | | \$358 | \$91,945 | | \$91,945 |
| 70500 Total Tenant Revenue | \$780,593 | \$0 | \$7,233 | \$787,826 | \$0 | \$787,826 |
| 70600 HUD PHA Operating Grants | \$540,102 | \$404,411 | | \$944,513 | | \$944,513 |
| 70610 Capital Grants | \$210,103 | | | \$210,103 | | \$210,103 |
| 70710 Management Fee | | | | | | |
| 70720 Asset Management Fee | | | | | | |
| 70730 Book Keeping Fee | | | | | | |
| 70740 Front Line Service Fee | | | | | | |
| 70750 Other Fees | | | | | | |
| 70700 Total Fee Revenue | | | | \$0 | \$0 | \$0 |
| 70800 Other Government Grants | | | \$246,000 | \$246,000 | | \$246,000 |
| 71100 Investment Income - Unrestricted | \$4,534 | \$0 | \$2 | \$4,536 | | \$4,536 |
| 71200 Mortgage Interest Income | | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | | |
| 71310 Cost of Sale of Assets | | | | | | |
| 71400 Fraud Recovery | | \$1,942 | | \$1,942 | | \$1,942 |
| 71500 Other Revenue | \$10,493 | | | \$10,493 | | \$10,493 |
| 71600 Gain or Loss on Sale of Capital Assets | \$3,652 | | | \$3,652 | | \$3,652 |
| 72000 Investment Income - Restricted | | \$659 | | \$659 | | \$659 |
| 70000 Total Revenue | \$1,549,477 | \$407,012 | \$253,235 | \$2,209,724 | \$0 | \$2,209,724 |
| 91100 Administrative Salaries | \$187,122 | \$22,682 | \$802 | \$210,606 | | \$210,606 |
| 91200 Auditing Fees | \$2,430 | \$500 | | \$2,930 | | \$2,930 |
| 91300 Management Fee | | | | | | |
| 91310 Book-keeping Fee | | \$700 | | \$700 | | \$700 |
| 91400 Advertising and Marketing | | | \$277 | \$277 | | \$277 |
| 91500 Employee Benefit contributions - Administrative | \$132,985 | \$5,859 | | \$138,844 | | \$138,844 |
| 91600 Office Expenses | \$18,333 | \$2,082 | | \$20,415 | | \$20,415 |
| 91700 Legal Expense | \$1,308 | | | \$1,308 | | \$1,308 |
| 91800 Travel | \$6,100 | \$1,255 | | \$7,355 | | \$7,355 |
| 91810 Allocated Overhead | | | | | | |
| 91900 Other | \$67,690 | \$3,635 | \$182 | \$71,507 | | \$71,507 |
| 91000 Total Operating - Administrative | \$415,968 | \$36,713 | \$1,261 | \$453,942 | \$0 | \$453,942 |
| 92000 Asset Management Fee | | | | | | |
| 92100 Tenant Services - Salaries | | | | | | |
| 92200 Relocation Costs | | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | | |
| 92400 Tenant Services - Other | \$51,047 | | | \$51,047 | | \$51,047 |
| 92500 Total Tenant Services | \$51,047 | \$0 | \$0 | \$51,047 | \$0 | \$51,047 |

Brazil Housing Authority (IN035)
 BRAZIL, IN
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | Subtotal | ELIM | Total |
|---|---------------|-----------------------------------|---------------|-------------|------|-------------|
| 93100 Water | \$12,921 | | \$156 | \$13,077 | | \$13,077 |
| 93200 Electricity | \$194,620 | | \$244 | \$194,864 | | \$194,864 |
| 93300 Gas | \$31,623 | | | \$31,623 | | \$31,623 |
| 93400 Fuel | \$0 | | | \$0 | | \$0 |
| 93500 Labor | \$0 | | | \$0 | | \$0 |
| 93600 Sewer | \$31,479 | | | \$31,479 | | \$31,479 |
| 93700 Employee Benefit Contributions - Utilities | | | | | | |
| 93800 Other Utilities Expense | | | | | | |
| 93000 Total Utilities | \$270,643 | \$0 | \$400 | \$271,043 | \$0 | \$271,043 |
| 94100 Ordinary Maintenance and Operations - Labor | \$131,231 | | \$645 | \$131,876 | | \$131,876 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$80,861 | | | \$80,861 | | \$80,861 |
| 94300 Ordinary Maintenance and Operations Contracts | \$123,518 | | \$1,541 | \$125,059 | | \$125,059 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$94,250 | | | \$94,250 | | \$94,250 |
| 94000 Total Maintenance | \$429,860 | \$0 | \$2,186 | \$432,046 | \$0 | \$432,046 |
| 95100 Protective Services - Labor | | | | | | |
| 95200 Protective Services - Other Contract Costs | | | | | | |
| 95300 Protective Services - Other | | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | | | \$1,103 | \$1,103 | | \$1,103 |
| 96120 Liability Insurance | | | | | | |
| 96130 Workmen's Compensation | | | | | | |
| 96140 All Other Insurance | \$68,558 | \$702 | | \$69,260 | | \$69,260 |
| 96100 Total insurance Premiums | \$68,558 | \$702 | \$1,103 | \$70,363 | \$0 | \$70,363 |
| 96200 Other General Expenses | | | | | | |
| 96210 Compensated Absences | \$24,487 | \$1,834 | | \$26,321 | | \$26,321 |
| 96300 Payments in Lieu of Taxes | \$43,511 | | | \$43,511 | | \$43,511 |
| 96400 Bad debt - Tenant Rents | \$12,281 | | | \$12,281 | | \$12,281 |
| 96500 Bad debt - Mortgages | | | | | | |
| 96600 Bad debt - Other | | | | | | |
| 96800 Severance Expense | | | | | | |
| 96000 Total Other General Expenses | \$80,279 | \$1,834 | \$0 | \$82,113 | \$0 | \$82,113 |
| 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$1,316,355 | \$39,249 | \$4,950 | \$1,360,554 | \$0 | \$1,360,554 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$233,122 | \$367,763 | \$248,285 | \$849,170 | \$0 | \$849,170 |

Brazil Housing Authority (IN035)
BRAZIL, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

| | Project Total | 14.871 Housing Choice Vouchers | 2 State/Local | Subtotal | ELIM | Total |
|---|---------------|-----------------------------------|---------------|-------------|------|-------------|
| 97100 Extraordinary Maintenance | | \$0 | | \$0 | | \$0 |
| 97200 Casualty Losses - Non-capitalized | -\$8,600 | | | -\$8,600 | | -\$8,600 |
| 97300 Housing Assistance Payments | | \$349,224 | | \$349,224 | | \$349,224 |
| 97350 HAP Portability-In | | | | | | |
| 97400 Depreciation Expense | \$534,168 | | \$5,338 | \$539,506 | | \$539,506 |
| 97500 Fraud Losses | | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | | |
| 90000 Total Expenses | \$1,841,923 | \$388,473 | \$10,288 | \$2,240,684 | \$0 | \$2,240,684 |
| 10010 Operating Transfer In | \$54,542 | | | \$54,542 | | \$54,542 |
| 10020 Operating transfer Out | -\$54,542 | | | -\$54,542 | | -\$54,542 |
| 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) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -\$292,446 | \$18,539 | \$242,947 | -\$30,960 | \$0 | -\$30,960 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 11030 Beginning Equity | \$5,930,393 | \$67,960 | \$0 | \$5,998,353 | | \$5,998,353 |
| 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 | | -\$3,840 | | -\$3,840 | | -\$3,840 |
| 11180 Housing Assistance Payments Equity | | \$90,339 | | \$90,339 | | \$90,339 |
| 11190 Unit Months Available | 3471 | 1038 | 2 | 4511 | | 4511 |
| 11210 Number of Unit Months Leased | 3170 | 993 | 2 | 4165 | | 4165 |
| 11270 Excess Cash | \$168,369 | | | \$168,369 | | \$168,369 |
| 11610 Land Purchases | \$0 | | | \$0 | | \$0 |
| 11620 Building Purchases | \$210,103 | | | \$210,103 | | \$210,103 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | | | \$0 | | \$0 |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | | | \$0 | | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | | | \$0 | | \$0 |
| 11660 Infrastructure Purchases | \$0 | | | \$0 | | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | | | \$0 | | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | | | \$0 | | \$0 |