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AN EQUAL OPPORTUNITY EMPLOYER

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May 21, 2013

Board of Directors
Columbus Housing Authority
799 McClure Road
Columbus, IN 47201

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period July 1, 2011 to June 30, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Columbus Housing Authority, as of June 30, 2012 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

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

TWELVE MONTHS ENDED JUNE 30, 2012

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

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Independent Auditor's Report

Board of Commissioners
Columbus Housing Authority
Columbus, Indiana

I have audited the accompanying financial statements of the Columbus Housing Authority, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Columbus 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 Columbus Housing Authority, as of June 30, 2012 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.

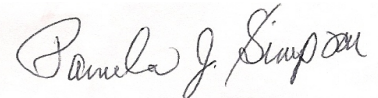
In accordance with *Government Auditing Standards*, I have also issued my report dated November 15, 2012 on my consideration of the Columbus Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 6 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 procedure 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 as a whole. The Schedule of Expenditures of Federal Awards and the Financial Data Schedule are presented for purposes of additional analysis and are not required parts of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the 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.

Decatur, Illinois
November 15, 2012



Certified Public Accountant

**COLUMBUS HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2012**

As management of the Housing Authority of the City of Columbus ("Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$ 7,787,600.
- The Authority's cash balance at June 30, 2012 was \$1,552,474 representing a decrease of \$ 258,797 from June 30, 2011.
- Department of Housing & Urban Development grants amounting to \$ 3,297,916 were reported as revenues, a decrease of \$ 784,097 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis –for State and Local Governments*, Statement No. 37, *Basic Financial Statements-and Managements Discussion and Analysis-For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures and Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

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

The *statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

**COLUMBUS HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2012**

The *statement of revenues, expenses and changes in net assets* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation leave).

The basic financial statements can be found on pages 7 to 10 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 11 to 20 of this report.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$ 7,787,600 at the close of the most recent fiscal year.

By far, the largest portion of the Authority's net assets reflects its investment in capital assets (e.g., land, buildings, furniture, equipment and machinery); less any related debt used to acquire those assets that is still outstanding. The Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Housing Authority of the City of Columbus – Net Assets
June 30, 2012

| ASSETS | 2012 | 2011 | Change |
|-----------------------|-------------|-------------|---------------|
| Current Assets | \$1,633,979 | \$1,903,941 | (269,962) |
| Capital Assets (Net) | \$6,426,693 | \$6,594,628 | (167,935) |
| Total Assets | \$8,060,672 | \$8,498,569 | (437,897) |
| LIABILITIES | | | |
| Current Liabilities | \$162,806 | \$171,369 | (8,563) |
| Long Term Liabilities | \$110,266 | \$88,220 | 22,046 |
| Total Liabilities | \$273,072 | \$259,589 | 13,483 |
| NET ASSETS | | | |
| Investment Cap Assets | \$6,426,693 | \$6,594,628 | (167,935) |
| Unrestricted | \$844,907 | \$837,566 | 7,341 |
| Restricted | \$516,000 | \$806,786 | (290,786) |
| Total Net Assets | \$7,787,600 | \$8,238,980 | (451,380) |

**COLUMBUS HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2012**

Housing Authority of the City of Columbus – Changes in Net Assets
For The Year Ended June 30, 2012

| OPERATING REVENUE | 2012 | 2011 | Change |
|--------------------------|-------------|-------------|---------------|
| Dwelling Rental | \$257,738 | \$216,665 | 41,073 |
| Tenant Revenue - Other | \$15,178 | \$ 32,223 | (17,045) |
| Total Operating Revenue | \$272,916 | \$248,888 | 24,028 |

| OPERATING EXPENSES | 2012 | 2011 | Change |
|-----------------------------------|-------------|-------------|---------------|
| Administration | \$587,269 | \$631,723 | (44,454) |
| Tenant Services | \$39,515 | \$649 | 38,866 |
| Utilities | \$61,779 | \$67,688 | (5,909) |
| Ordinary Maintenance & Operations | \$312,332 | \$291,290 | 21,042 |
| General | \$143,571 | \$127,928 | 15,643 |
| Net Operating Expenses | \$1,144,466 | \$1,119,278 | 25,188 |
| Operating Income (Loss) | \$(871,550) | \$(870,390) | (1,160) |

| NON-OPERATING INCOME (EXPENSES) | 2012 | 2011 | Change |
|--|---------------|---------------|---------------|
| HUD Grants | \$3,297,916 | \$4,082,013 | (784,097) |
| Interest on Investments | \$363 | \$542 | (179) |
| Other Revenue | \$331,501 | \$62,948 | 268,553 |
| Other Expense | \$(3,207,543) | \$(3,228,881) | (21,338) |
| Net Non-Operating Income | \$422,237 | \$916,622 | (494,385) |

| NET ASSETS | 2012 | 2011 | Change |
|-------------------------|-------------|-------------|---------------|
| Beginning of Year | \$8,238,980 | \$8,192,748 | 46,232 |
| Prior Period Adjustment | \$(2,067) | \$0 | (2,067) |
| End of Year | \$7,787,600 | \$8,238,980 | (451,380) |

BUDGETS

The Authority is required by contractual agreements to adopt annual, appropriated budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

**COLUMBUS HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2012**

CAPITAL ASSET AND DEBT ADMINISTRATION

| CAPITAL ASSETS | 2012 | 2011 |
|----------------------------------|-------------|---------------|
| Land | \$3,360,190 | \$3,360,190 |
| Buildings | \$6,326,983 | \$6,218,208 |
| Furniture, Equipment & Machinery | | |
| Dwellings | \$121,522 | \$119,030 |
| Administrative | \$174,169 | \$170,490 |
| Leasehold Improvements | \$36,570 | \$36,570 |
| Construction in Progress | \$20,181 | \$59,851 |
| Less Accumulated Depreciation | (3,612,922) | (\$3,369,711) |
| Net Capital Assets | \$6,426,693 | \$6,594,628 |

FUTURE EVENTS (NEW BUSINESS)

Additionally, the Authority plans on using capital funds to make miscellaneous renovations to our properties and buildings. These budgeted amounts total \$37,075.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority received \$371,783 in operating subsidy for fiscal year end June 30, 2012. We have not been notified as to our subsidy eligibility for fiscal year end June 30, 2013 but estimate we will receive approximately \$346,592 in operating subsidy for fiscal year end June 30, 2013. The Authority budgeted \$140,000 in operations (1406 Operations) from the FFY 2012 capital funds and budgeted \$140,000 in operations (1406 Operations) from the FFY 2013 capital funds.

The Authority received \$28,267 more in operating subsidy from HA fiscal year 2012 than in 2011. In the Low Rent program the Authority closed out FYE June 30, 2012 with a \$ 69,090 gain which includes both Low Rent and CFP , exclusive of prior year adjustments and depreciation.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, Columbus Housing Authority, 799 McClure Road, Columbus, Indiana 47201.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
AS OF JUNE 30, 2012**

ASSETS

CURRENT ASSETS

| | |
|--|---------------|
| Cash | \$ 950,465 |
| Accounts receivable (interfund eliminated) | 36,379 |
| Deferred charges | <u>45,126</u> |

Total Current Assets \$ 1,031,970

RESTRICTED ASSETS

| | |
|------|-------------------|
| Cash | \$ <u>602,009</u> |
|------|-------------------|

Total Restricted Assets \$ 602,009

CAPITAL ASSETS

| | |
|--------------------------------|-------------------|
| Land, buildings and equipment | \$ 10,039,615 |
| Less: Accumulated depreciation | <u>-3,612,922</u> |

Net Capital Assets \$ 6,426,693

Total Assets \$ 8,060,672

LIABILITIES

CURRENT LIABILITIES

| | |
|---|---------------|
| Accounts payable (interfund eliminated) | \$ 62,564 |
| Accrued liabilities | 64,255 |
| Deferred revenue | <u>35,987</u> |

Total Current Liabilities \$ 162,806

NONCURRENT LIABILITIES

| | |
|------------------------------|---------------|
| Accrued compensated absences | \$ 27,735 |
| FSS escrow | <u>82,531</u> |

Total Noncurrent Liabilities \$ 110,266

NET ASSETS

| | |
|----------------------------|----------------|
| Invested in capital assets | \$ 6,426,693 |
| Restricted | 516,000 |
| Unrestricted | <u>844,907</u> |

Total Net Assets \$ 7,787,600

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

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**STATEMENT OF REVENUE AND EXPENDITURES - PROPRIETARY FUNDS
AND CHANGES IN NET ASSETS
TWELVE MONTHS ENDED JUNE 30, 2012**

Operating Income

| | |
|----------------------------|-------------------------|
| Tenant rental revenue | \$ 257,738 |
| Tenant revenue - other | <u>15,178</u> |
| Total Rental Revenue | \$ <u>272,916</u> |
| HUD operating grants | 3,228,812 |
| Fraud recovery | 8,966 |
| Other revenue | <u>322,535</u> |
| Total Operating Income | \$ <u>3,833,229</u> |

Operating Expenses

| | |
|------------------------------------|-------------------------|
| Administration | \$ 587,269 |
| Tenant services | 39,515 |
| Utilities | 61,779 |
| Ordinary maintenance and operation | 312,332 |
| General expense | 143,571 |
| Extraordinary maintenance | 76,639 |
| Casualty losses - non capitalized | 220,276 |
| Housing assistance payments | 2,667,417 |
| Depreciation | <u>243,211</u> |
| Total Operating Expenses | \$ <u>4,352,009</u> |
| Net Operating Income (Loss) | \$ -518,780 |

Nonoperating Income (Expense)

| | |
|-----------------|-----|
| Interest income | 363 |
|-----------------|-----|

Capital Contributions

| | |
|-------------------------------|-------------------------|
| Capital funds grants | <u>69,104</u> |
| Changes in net assets | \$ -449,313 |
| Net assets, beginning of year | 8,238,980 |
| Prior year adjustments | <u>-2,067</u> |
| Nets assets, end of year | \$ <u>7,787,600</u> |

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

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED JUNE 30, 2012**

Operating Activities

| | |
|--|--------------------|
| Operating grants | \$ 3,208,166 |
| Tenant revenue | 271,829 |
| Other revenue | 331,501 |
| Housing assistance payments | -2,667,417 |
| Payments to employees | -530,658 |
| Payments to suppliers and contractors | <u>-866,409</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ -252,988</u> |

Investing Activities

| | |
|--|---------------|
| Interest income | <u>\$ 363</u> |
| Net Cash Provided (Used) by Investing Activities | <u>\$ 363</u> |

Capital and Related Financing Activities

| | |
|--|------------------|
| Capital fund grants | \$ 69,104 |
| Additions to fixed assets | <u>-75,276</u> |
| Total Capital and Related Financing Activities | <u>\$ -6,172</u> |

| | |
|-------------------------------|----------------------------|
| Net Change in Cash | \$ -258,797 |
| Cash Balance at June 30, 2011 | <u>1,811,271</u> |
| Cash Balance at June 30, 2012 | <u><u>\$ 1,552,474</u></u> |

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED JUNE 30, 2012**

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

| | |
|---|--------------------|
| Net operating income (loss) | \$ -518,780 |
| Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities: | |
| Depreciation | 243,211 |
| Adjustment to net assets | -2,067 |
| (Increase) decrease in accounts receivable | 18,481 |
| (Increase) decrease in deferred charges | -7,316 |
| Increase (decrease) in accounts payable | -25,041 |
| Increase (decrease) in accrued liabilities | -6,992 |
| Increase (decrease) in deferred revenues | 31,287 |
| Increase (decrease) in other liabilities | <u>14,229</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ -252,988</u> |

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012**

Note 1 - Summary of Significant Accounting Policies

(a) Organization -

The Columbus Housing Authority was established by the City of Columbus 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 Columbus and concluded that the City does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the City, 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 Columbus 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 Accounts 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.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(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
- * Capital Fund Program
- * Housing Choice Vouchers
- * State and Local
- * Business Activities
- * Supportive Housing for Persons with Disabilities
- * Disaster Voucher Program

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 month (1) or less when purchased to be cash equivalents.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(f) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at June 30, 2012, 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.

(g) 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 initial cost of a piece of equipment and/or other personal property is five hundred dollars (\$500) or more and the anticipated life or useful life of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charges as a capital expenditure.

Land, structures and equipment contains the following:

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

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 | 15-40 | years |
| Equipment | 5 - 10 | years |
| Leasehold improvements | 10-15 | years |

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(h) 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."

(i) Income Tax -

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

(j) 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.

- (k) 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.
- (l) 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.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

- (m) Leasing activities (as lessor) - the Authority is the lessor of dwelling units mainly to low income and/or elderly and disabled 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.
- (n) Rental income is recognized as rents become due.
- (o) 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.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(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 | \$ 459,870 | \$ 509,119 |
| Housing Choice Voucher | 778,343 | 781,331 |
| State and Local | 110,472 | 110,472 |
| Business Activities | 186,926 | 186,926 |
| Supportive Housing for Persons with Disabilities | 13,008 | 13,008 |
| Disaster Voucher Program | <u>3,855</u> | <u>3,855</u> |
| Total | <u>\$ 1,552,474</u> | <u>\$ 1,604,711</u> |

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(CONTINUED)**

Note 3 - Compensated Absences

Each full-time employee is eligible for forty-eight (48) hours sick time during the calendar year, and equivalent of 6 days. Temporary and part-time employees are not eligible for sick leave benefits. During the first year of employment, new employees accrue one-half (1/2) day per month. During the first three (3) month probationary period, days are accrued but may not be taken. Unused sick leave benefits may accumulate from year to year to be used in the event of a longer term illness. However, employees are not paid for unused sick leave benefits.

Annual vacation leave is available to regular full-time employees to use at their discretion and to supplement other paid leave. Vacation leave requires advances supervisory approval. All vacation hours for the coming year are added to the employee's vacation bank on January 1.

The Columbus Housing Authority urges all employees to take their vacation leave each year as earned for the purpose of rest and relaxation; however, if business circumstances prohibit employees from using their vacation time, carryover will be permitted up to a maximum of two weeks or eighty (80) hours with approval by the Executive Director. Vacation pay will be computed based on an employee's regular wage or salary for a comparable work period. Terminating employees who comply with the advance notice requirements when resigning will be paid for vacation leave they have earned but not used.

Note 4 - Pension Plan

The Housing Authority provides pension benefits for all of its full-time employees through a 401K with Dyatech LLC. The plan requires the Housing Authority and the employee to contribute 9% and 1% of covered wages, respectively, however, employees may contribute more. Housing Authority contributions forfeited by employees who leave employment prior to vesting are used to reduce current costs and contribution requirements. In the current year, the total contributions were \$60,239 related to \$522,858 of covered salaries and wages.

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

| | |
|------------------------------------|------------------|
| Accounts receivable - PHA projects | \$ 2,474 |
| Tenants accounts receivable | 3,206 |
| Allowance for doubtful accounts | -180 |
| Fraud recovery | <u>30,879</u> |
| Subtotal | \$ 36,379 |
| Interfund | <u>5,464</u> |
| Total | <u>\$ 41,843</u> |

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(CONTINUED)**

Note 6 - Deferred Charges

This classification includes the following accounts:

| | |
|-------------------|------------------|
| Prepaid insurance | \$ <u>45,126</u> |
|-------------------|------------------|

Note 7 - Fixed Assets

| | |
|-----------------------------|--------------------|
| Balance as of June 30, 2012 | \$ 6,426,693 |
| Balance as of June 30, 2011 | <u>6,594,628</u> |
| Net Increase (Decrease) | <u>\$ -167,935</u> |

Reconciliation

| | |
|-----------------------------------|--------------------|
| Betterments and additions | \$ 69,105 |
| Replacement of equipment | 6,171 |
| Current year depreciation expense | <u>-243,211</u> * |
| Net Increase (Decrease) | <u>\$ -167,935</u> |

Analysis

| | 07/01/2011 <u>Balance</u> | Additions/ <u>Transfers</u> | Deletions/ <u>Transfers</u> | 06/30/2012 <u>Balance</u> |
|--------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|
| Land | \$ 3,360,190 | \$ 0 | \$ 0 | \$ 3,360,190 |
| Buildings | 6,218,208 | 108,775 | 0 | 6,326,983 |
| Equipment and furniture | 289,520 | 6,171 | 0 | 295,691 |
| Leasehold improvements | 36,570 | 0 | 0 | 36,570 |
| Construction in progress | <u>59,851</u> | <u>0</u> | <u>39,670</u> | <u>20,181</u> |
| Total Assets | \$ 9,964,339 | \$ 114,946 | \$ 39,670 | \$ 10,039,615 |
| Accumulated depreciation | <u>-3,369,711</u> | <u>0</u> | <u>243,211</u> * | <u>-3,612,922</u> |
| Net Capital Assets | <u>\$ 6,594,628</u> | <u>\$ 114,946</u> | <u>\$ 282,881</u> | <u>\$ 6,426,693</u> |

*Current year depreciation expense recognized.

Note 8 - Accounts Payable

This classification includes the following accounts:

| | |
|---------------------------|------------------|
| Vendors and contractors | \$ 4,238 |
| Accounts payable - HUD | 18,244 |
| Tenants security deposits | 39,709 |
| Other current liabilities | <u>373</u> |
| Subtotal | \$ 62,564 |
| Interfund | <u>5,464</u> |
| Total | <u>\$ 68,028</u> |

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(CONTINUED)**

Note 9 - Notes Payable

On August 4, 1987, the U.S. Department of Housing and Urban Development (HUD) issued notes 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 10 - Accrued Liabilities

Accrued liabilities consists of the following:

Current Portion:

| | |
|---------------------------------|--------------|
| Accrued compensated absences | \$ 33,135 |
| Accrued wages and payroll taxes | 9,367 |
| Payment in lieu of taxes | 19,081 |
| Accrued liabilities - other | <u>2,672</u> |

| | |
|-----------------------|-----------|
| Total Current Portion | \$ 64,255 |
|-----------------------|-----------|

Noncurrent Portion:

| | |
|------------------------------|---------------|
| Accrued compensated absences | <u>27,735</u> |
|------------------------------|---------------|

| | |
|-------|-------------------------|
| Total | <u><u>\$ 91,990</u></u> |
|-------|-------------------------|

Note 11 - Deferred Revenue

This classification consists of the following accounts:

| | |
|------------------------|-------------------------|
| Prepaid rents | \$ 3,478 |
| Other deferred revenue | <u>32,509</u> |
| Total | <u><u>\$ 35,987</u></u> |

Note 12 - Administrative Fee

The PHA receives an "Administrative Fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the HAP Program. The administrative fee is determined by HUD on an annual basis.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED JUNE 30, 2012
(CONTINUED)**

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.

Note 15 - Prior Period Adjustments

Prior period adjustments posted directly to surplus are detailed below:

| | |
|-------------------------|-------------------------|
| Disallowed HAP for DHAP | \$ <u><u>-2,067</u></u> |
|-------------------------|-------------------------|

Note 16 - Contracts/Commitments

As of June 30, 2012, 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 | \$ 206,701 | \$ 160,181 |
| CFP 501-12 | <u>177,075</u> | <u>0</u> |
| Total | <u>\$ 383,776</u> | <u>\$ 160,181</u> |

Note 17 - 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 18 - Economic Dependency

The Housing Authority received most of its revenue (85%) from the United State Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

SUPPLEMENTAL DATA

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012**

| <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-2065 | FYE 06/30/12 | \$ 371,783 | \$ 371,783 | \$ 371,783 |
| Housing Choice Voucher Program* | 14.871 | C-058VO | FYE 06/30/12 | \$ 2,360,953 | \$ 2,360,953 | \$ 2,360,953 |
| Public Housing Capital Funds | 14.872 | C-2065 | FYE 06/30/12 | \$ 455,475 | \$ 209,104 | \$ 209,104 |
| Supportive Housing for Persons with Disabilities* | 14.181 | C-2065 | FYE 06/30/12 | \$ 356,076 | \$ 356,076 | \$ 356,076 |
| Disaster Voucher Program | 14.DVP | C-058 | FYE 06/30/12 | \$ 0 | \$ 0 | \$ 0 |
| Total Housing Assistance | | | | <u>\$ 3,544,287</u> | <u>\$ 3,297,916</u> | <u>\$ 3,297,916</u> |

*Denotes major program.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P058501-10**

1. The Actual Modernization Costs of Phase IN36P058501-10 are as follows:

| | |
|--------------------------|--------------------|
| Funds approved | \$ 248,774 |
| Funds expended | <u>248,774</u> |
| Excess of Funds Approved | <u><u>\$ 0</u></u> |
| Funds advanced | |
| Grants | \$ 248,774 |
| Funds expended | <u>248,774</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 1, 2012, 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
Columbus Housing Authority
Columbus, Indiana

I have audited the financial statements of Columbus Housing Authority as of and for the year ended June 30, 2012, and have issued my report thereon dated November 15, 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 Columbus 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 Columbus Housing Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Columbus 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.

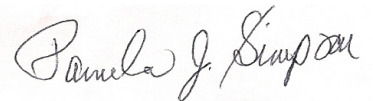
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus 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*.

I noted certain matters that I reported to management of Columbus Housing Authority in a separate letter dated November 15, 2012.

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.

Decatur, Illinois
November 15, 2012

Handwritten signature of Pamela J. Simpson in cursive script.

Certified Public Accountant



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
Columbus Housing Authority
Columbus, Indiana

Compliance

I have audited Columbus 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 Columbus Housing Authority's major federal programs for the year ended June 30, 2012. Columbus 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 Columbus Housing Authority's management. My responsibility is to express an opinion on Columbus 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 Columbus 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 Columbus Housing Authority's compliance with those requirements.

In my opinion, Columbus 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 June 30, 2012. However, the results of my auditing procedures disclosed no instances of noncompliance with those requirements.

Internal Control Over Compliance

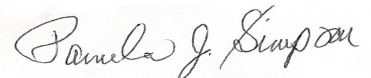
Management of Columbus Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Columbus Housing Authority's 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 Columbus 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.

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.

Decatur, Illinois
November 15, 2012



Certified Public Accountant

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2011 contained no findings.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY
FOR THE YEAR ENDED JUNE 30, 2012**

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? _____ yes X_____ 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 Circular A-133? _____ yes X_____ 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 |
| 14.181 | Supportive Housing for Persons with Disabilities |

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

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

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

FINDINGS, RECOMMENDATIONS AND REPLIES

Section II - Financial Statement Audit Findings

There were no financial statement audit findings discussed with Deborah Holt, Executive Director or Don Wood, Director of Finance and other members of management during the course of the audit and at an exit conference held November 15, 2012.

Section III - Federal Award Audit Findings

There were no federal award audit findings discussed with Deborah Holt, Executive Director or Don Wood, Director of Finance and other members of management during the course of the audit and at an exit conference held November 15, 2012.

**COLUMBUS HOUSING AUTHORITY
COLUMBUS, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
JUNE 30, 2012**

| <u>Voucher</u> | <u>Audit Account Number</u> | <u>Debit</u> | <u>Credit</u> | <u>Posting Account Number</u> |
|---|---------------------------------|--------------|---------------|-----------------------------------|
| (1) | | | | |
| Fraud receivable | 1121 | \$ 2,501.00 | | 1121 |
| Fraud recovery | 3450 | | \$ 245.00 | 2810.002 |
| Fraud recovery - HUD | 3450.01 | | 245.00 | 2810.001 |
| Bad debt - admin | 4591 | | 1,005.50 | 2810.002 |
| Bad debt - HAP | 4592 | | 1,005.50 | 2810.001 |
| (To adjust fraud receivables per examination of files) | | | | |
| (2) | | | | |
| Allowance for doubtful accounts | 1122.01 | \$ 5,923.00 | | 1122.01 |
| Bad debt - admin | 4591 | | \$ 2,961.50 | 2810.002 |
| Bad debt - HAP | 4592 | | 2,961.50 | 2810.001 |
| (To correct allowance accounts) | | | | |
| (3) | | | | |
| Port-in HAP received | 3410.020 | \$ 1,386.00 | | 2810.002 |
| HAP - port-in expense | 4715.050 | | \$ 1,386.00 | 2810.002 |
| A/R issuing H/A portability | 1129.02 | 72.00 | | 1129.02 |
| A/P - other Seymour H/A | ---- | | 373.00 | ---- |
| HAP - occupied units | 4715.010 | 301.00 | | 2810.001 |
| (To correct receivable and portable HAP) | | | | |
| (4) | | | | |
| General expense | 4590 | | \$ 424.10 | 2810.002 |
| Port-in Hap received | 3410.020 | \$ 392.00 | | 2810.002 |
| Port-in admin fee | 3410.021 | 32.10 | | 2810.002 |
| HAP - port-in | 4715.050 | | 392.00 | 2810.002 |
| HAP - occupied units | 4715.010 | 392.00 | | 2810.001 |
| (To correct deposit on 07/11/2011 from PHA, refunded 08/11/11, check #43206) | | | | |
| (5) | | | | |
| HAP equity | 2810.001 | \$ 2,067.00 | | 2810.001 |
| Due to DVP | ---- | | \$ 2,067.00 | ---- |
| (To record transfer to DVP (due to HUD) for disallowed HAP reported under DVP in prior periods) | | | | |
| <u>DHAP</u> | | | | |
| (1) | | | | |
| A/R - Voucher | 1295.002 | \$ 2,067.00 | | 1295.002 |
| A/P - DVP | 2119 | | \$ 2,067.00 | 2119 |
| (To record adjusted payable to HUD for previous DVP expenditures) | | | | |

Columbus Housing Authority (IN058)
COLUMBUS, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2012

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | 1 Business Activities | 14,181 Supportive Housing for Persons with Disabilities | 14,DVP/ Disaster Voucher Program | Subtotal | ELIM | Total |
|---|---------------|--------------------------------|---------------|-----------------------|---|----------------------------------|--------------|----------|--------------|
| 111 Cash - Unrestricted | \$265,605 | \$330,890 | \$110,472 | \$186,926 | \$13,008 | \$3,855 | \$910,756 | | \$910,756 |
| 112 Cash - Restricted - Modernization and Development | \$140,003 | | | | | | \$140,003 | | \$140,003 |
| 113 Cash - Other Restricted | \$11,075 | \$447,463 | | | | | \$458,528 | | \$458,528 |
| 114 Cash - Tenant Security Deposits | \$39,709 | | | | | | \$39,709 | | \$39,709 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$3,478 | | | | | | \$3,478 | | \$3,478 |
| 100 Total Cash | \$459,870 | \$778,343 | \$110,472 | \$186,926 | \$13,008 | \$3,855 | \$1,552,474 | \$0 | \$1,552,474 |
| 121 Accounts Receivable - PHA Projects | \$2,474 | | | | | | \$2,474 | | \$2,474 |
| 122 Accounts Receivable - HUD Other Projects | | | | | | | | | |
| 124 Accounts Receivable - Other Government | | | | | | | | | |
| 125 Accounts Receivable - Miscellaneous | \$0 | | | | | | \$0 | | \$0 |
| 126 Accounts Receivable - Tenants | \$3,206 | | | | | | \$3,206 | | \$3,206 |
| 126.1 Allowance for Doubtful Accounts - Tenants | -\$180 | | | | | | -\$180 | | -\$180 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | | | | | | \$0 | | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | | | | | |
| 128 Fraud Recovery | \$30,879 | | | | | | \$30,879 | | \$30,879 |
| 128.1 Allowance for Doubtful Accounts - Fraud | \$0 | | | | | | \$0 | | \$0 |
| 129 Accrued Interest Receivable | | | | | | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$3,026 | \$33,353 | \$0 | \$0 | \$0 | \$0 | \$36,379 | \$0 | \$36,379 |
| 131 Investments - Unrestricted | | | | | | | | | |
| 132 Investments - Restricted | | | | | | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | | | | | | |
| 142 Prepaid Expenses and Other Assets | \$43,464 | \$1,662 | | | | | \$45,126 | | \$45,126 |
| 143 Inventories | | | | | | | | | |
| 143.1 Allowance for Obsolete Inventories | | | | | | | | | |
| 144 Inter Program Due From | \$3,397 | | | | | \$2,067 | \$5,464 | -\$5,464 | \$0 |
| 145 Assets Held for Sale | | | | | | | | | |
| 150 Total Current Assets | \$609,757 | \$813,358 | \$110,472 | \$186,926 | \$13,008 | \$5,922 | \$1,639,443 | -\$5,464 | \$1,633,979 |
| 161 Land | \$3,360,190 | | | | | | \$3,360,190 | | \$3,360,190 |
| 162 Buildings | \$6,276,657 | \$50,328 | | | | | \$6,326,983 | | \$6,326,983 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$121,522 | | | | | | \$121,522 | | \$121,522 |
| 164 Furniture, Equipment & Machinery - Administration | \$102,384 | \$71,785 | | | | | \$174,169 | | \$174,169 |
| 165 Leasehold Improvements | \$36,570 | \$36,570 | | | | | \$73,140 | | \$73,140 |
| 166 Accumulated Depreciation | -\$3,539,819 | -\$73,103 | | | | | -\$3,612,922 | | -\$3,612,922 |
| 167 Construction in Progress | \$20,181 | | | | | | \$20,181 | | \$20,181 |
| 168 Infrastructure | | | | | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$6,341,115 | \$85,578 | \$0 | \$0 | \$0 | \$0 | \$6,426,693 | \$0 | \$6,426,693 |
| 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 | \$6,341,115 | \$85,578 | \$0 | \$0 | \$0 | \$0 | \$6,426,693 | \$0 | \$6,426,693 |
| 190 Total Assets | \$6,850,872 | \$898,936 | \$110,472 | \$186,926 | \$13,008 | \$5,922 | \$8,066,136 | -\$5,464 | \$8,060,672 |

Columbus Housing Authority (IN058)
COLUMBUS, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2012

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | 1 Business Activities | 14,181 Supportive Housing for Persons with Disabilities | 14,DVP Disaster Voucher Program | Subtotal | ELIM | Total |
|---|---------------|--------------------------------|---------------|-----------------------|---|---------------------------------|-------------|----------|-------------|
| 311 Bank Overdraft | | | | | | | | | |
| 312 Accounts Payable <= 90 Days | \$4,067 | | | | | | \$4,238 | | \$4,238 |
| 313 Accounts Payable >90 Days Past Due | | \$171 | | | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | \$5,474 | \$3,893 | | | | | \$9,367 | | \$9,367 |
| 322 Accrued Compensated Absences - Current Portion | \$19,281 | \$13,854 | | | | | \$33,135 | | \$33,135 |
| 324 Accrued Contingency Liability | | | | | | | | | |
| 325 Accrued Interest Payable | | | | | | | | | |
| 331 Accounts Payable - HUD PHA Programs | | | | | \$12,322 | \$5,922 | \$18,244 | | \$18,244 |
| 332 Account Payable - PHA Projects | \$19,081 | | | | | | \$19,081 | | \$19,081 |
| 333 Accounts Payable - Other Government | \$39,709 | | | | | | \$39,709 | | \$39,709 |
| 341 Tenant Security Deposits | \$35,987 | | | | | | \$35,987 | | \$35,987 |
| 342 Deferred Revenues | | | | | | | | | |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds | | | | | | | | | |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | | | | | |
| 345 Other Current Liabilities | \$2,672 | \$373 | | | | | \$373 | | \$373 |
| 346 Accrued Liabilities - Other | | \$5,464 | | | | | \$5,464 | | \$5,464 |
| 347 Inter Program - Due To | | | | | | | | | |
| 348 Loan Liability - Current | | | | | | | | | |
| 310 Total Current Liabilities | \$126,271 | \$23,755 | \$0 | \$0 | \$12,322 | \$5,922 | \$168,270 | -\$5,464 | \$162,806 |
| 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 | \$11,075 | \$71,456 | | | | | \$82,531 | | \$82,531 |
| 354 Accrued Compensated Absences - Non Current | \$17,676 | \$10,059 | | | | | \$27,735 | | \$27,735 |
| 355 Loan Liability - Non Current | | | | | | | | | |
| 356 FASB 5 Liabilities | | | | | | | | | |
| 357 Accrued Pension and OPEB Liabilities | | | | | | | | | |
| 350 Total Non-Current Liabilities | \$28,751 | \$81,515 | \$0 | \$0 | \$0 | \$0 | \$110,266 | \$0 | \$110,266 |
| 300 Total Liabilities | \$155,022 | \$105,270 | \$0 | \$0 | \$12,322 | \$5,922 | \$278,536 | -\$5,464 | \$273,072 |
| 508.1 Invested In Capital Assets, Net of Related Debt | \$6,341,115 | \$85,578 | | | | | \$6,426,693 | | \$6,426,693 |
| 511.1 Restricted Net Assets | \$140,003 | \$375,997 | | | | | \$516,000 | | \$516,000 |
| 512.1 Unrestricted Net Assets | \$214,732 | \$332,091 | \$110,472 | \$186,926 | \$686 | \$0 | \$844,907 | | \$844,907 |
| 513 Total Equity/Net Assets | \$6,695,850 | \$793,666 | \$110,472 | \$186,926 | \$686 | \$0 | \$7,787,600 | \$0 | \$7,787,600 |
| 600 Total Liabilities and Equity/Net Assets | \$6,850,872 | \$999,936 | \$110,472 | \$186,926 | \$13,008 | \$5,922 | \$8,066,136 | -\$5,464 | \$8,060,672 |

Columbus Housing Authority (IN058)
COLUMBUS, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2012

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | 1 Business Activities | 14,181 Supportive Housing for Persons with Disabilities | 14 DVP Disaster Voucher Program | Subtotal | ELIM | Total |
|---|---------------|--------------------------------|---------------|-----------------------|---|---------------------------------|-------------|------|-------------|
| 70300 Net Tenant Rental Revenue | \$257,738 | | | | | | \$257,738 | | \$257,738 |
| 70400 Tenant Revenue - Other | \$15,178 | | | | | | \$15,178 | | \$15,178 |
| 70500 Total Tenant Revenue | \$272,916 | \$0 | \$0 | \$0 | \$0 | \$0 | \$272,916 | \$0 | \$272,916 |
| 70600 HUD PHA Operating Grants | \$511,783 | \$2,360,953 | | | \$356,076 | | \$3,228,812 | | \$3,228,812 |
| 70610 Capital Grants | \$69,104 | | | | | | \$69,104 | | \$69,104 |
| 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 |
| 70500 Other Government Grants | | | | | | | | | |
| 71100 Investment Income - Unrestricted | \$226 | \$52 | \$11 | \$17 | | | \$306 | | \$306 |
| 71200 Mortgage Interest Income | | | | | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | | | | | |
| 71310 Cost of Sale of Assets | | | | | | | | | |
| 71400 Fraud Recovery | | \$8,966 | | | | | \$8,966 | | \$8,966 |
| 71500 Other Revenue | \$261,522 | \$33,341 | \$5,123 | \$22,549 | | | \$322,535 | | \$322,535 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | | | | | |
| 72000 Investment Income - Restricted | \$18 | \$39 | | | | | \$57 | | \$57 |
| 73000 Total Revenue | \$1,115,569 | \$2,403,351 | \$5,134 | \$22,566 | \$356,076 | \$0 | \$3,902,696 | \$0 | \$3,902,696 |
| 91100 Administrative Salaries | \$186,703 | \$146,660 | | | \$22,277 | | \$355,640 | | \$355,640 |
| 91200 Auditing Fees | \$2,260 | \$5,000 | | | | | \$5,260 | | \$5,260 |
| 91300 Management Fee | | | | | | | | | |
| 91310 Book-keeping Fee | | | | | | | | | |
| 91400 Advertising and Marketing | \$7 | \$6 | | | | | \$13 | | \$13 |
| 91500 Employee Benefit Contributions - Administrative | \$60,835 | \$70,734 | | | \$9,962 | | \$141,531 | | \$141,531 |
| 91600 Office Expenses | \$14,314 | \$13,668 | | | \$15,449 | | \$43,431 | | \$43,431 |
| 91700 Legal Expense | \$254 | \$1,016 | | | | | \$1,270 | | \$1,270 |
| 91800 Travel | | | | | | | | | |
| 91810 Allocated Overhead | | | | | | | | | |
| 91900 Other | \$16,744 | \$16,707 | \$2,652 | \$1,021 | | | \$37,124 | | \$37,124 |
| 91000 Total Operating - Administrative | \$281,117 | \$254,791 | \$2,652 | \$1,021 | \$47,688 | \$0 | \$587,269 | \$0 | \$587,269 |
| 92000 Asset Management Fee | | | | | | | | | |
| 92100 Tenant Services - Salaries | | \$33,322 | | | | | \$33,322 | | \$33,322 |
| 92200 Relocation Costs | | | | | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | \$5,959 | | | | | \$5,959 | | \$5,959 |
| 92400 Tenant Services - Other | \$234 | | | | | | \$234 | | \$234 |
| 92500 Total Tenant Services | \$234 | \$39,281 | \$0 | \$0 | \$0 | \$0 | \$39,515 | \$0 | \$39,515 |

Columbus Housing Authority (IN058)
COLUMBUS, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2012

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | 1 Business Activities | 14,181 Supportive Housing for Persons with Disabilities | 14 DVP Disaster Voucher Program | Subtotal | ELIM | Total |
|---|---------------|--------------------------------|---------------|-----------------------|---|---------------------------------|-------------|------|-------------|
| 93100 Water | \$9,730 | \$293 | | | | | \$10,023 | | \$10,023 |
| 93200 Electricity | \$45,356 | \$1,988 | | | | | \$47,344 | | \$47,344 |
| 93300 Gas | \$3,975 | \$437 | | | | | \$4,412 | | \$4,412 |
| 93400 Fuel | | | | | | | | | |
| 93500 Labor | | | | | | | | | |
| 93600 Sewer | | | | | | | | | |
| 93700 Employee Benefit Contributions - Utilities | | | | | | | | | |
| 93800 Other Utilities Expense | | | | | | | | | |
| 93900 Total Utilities | \$59,061 | \$2,718 | \$0 | \$0 | \$0 | \$0 | \$61,779 | \$0 | \$61,779 |
| 94100 Ordinary Maintenance and Operations - Labor | \$90,713 | | | | | | \$90,713 | | \$90,713 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$54,121 | \$3,350 | | | | | \$57,471 | | \$57,471 |
| 94300 Ordinary Maintenance and Operations Contracts | \$129,094 | \$224 | | | | | \$129,318 | | \$129,318 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$34,830 | | | | | | \$34,830 | | \$34,830 |
| 94900 Total Maintenance | \$308,758 | \$3,574 | \$0 | \$0 | \$0 | \$0 | \$312,332 | \$0 | \$312,332 |
| 95100 Protective Services - Labor | | | | | | | | | |
| 95200 Protective Services - Other Contract Costs | | | | | | | | | |
| 95300 Protective Services - Other | | | | | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | | | | | |
| 95600 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | \$21,153 | | | | | | \$21,153 | | \$21,153 |
| 96120 Liability Insurance | \$17,445 | \$1,765 | | | | | \$19,210 | | \$19,210 |
| 96130 Workmen's Compensation | \$2,595 | \$4,510 | | | | | \$7,105 | | \$7,105 |
| 96140 All Other Insurance | \$9,157 | | | | | | \$9,157 | | \$9,157 |
| 96100 Total Insurance Premiums | \$50,350 | \$6,275 | \$0 | \$0 | \$0 | \$0 | \$56,625 | \$0 | \$56,625 |
| 96200 Other General Expenses | | | | | | | | | |
| 96210 Compensated Absences | \$25,956 | \$17,227 | | | | | \$43,183 | | \$43,183 |
| 96300 Payments in Lieu of Taxes | \$19,051 | | | | | | \$19,051 | | \$19,051 |
| 96400 Bad debt - Tenant Rents | \$5,007 | | | | | | \$5,007 | | \$5,007 |
| 96500 Bad debt - Mortgages | | | | | | | | | |
| 96600 Bad debt - Other | | \$18,383 | | | | | \$18,383 | | \$18,383 |
| 96800 Severance Expense | | | | | | | | | |
| 96900 Total Other General Expenses | \$50,044 | \$36,902 | \$0 | \$0 | \$0 | \$0 | \$86,946 | \$0 | \$86,946 |
| 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 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$749,564 | \$343,541 | \$2,652 | \$1,021 | \$47,688 | \$0 | \$1,144,466 | \$0 | \$1,144,466 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$365,005 | \$2,059,810 | \$2,482 | \$21,545 | \$308,388 | \$0 | \$2,756,230 | \$0 | \$2,756,230 |

Columbus Housing Authority (IN058)
COLUMBUS, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2012

| | Project Total | 14,871 Housing Choice Vouchers | 2 State/Local | 1 Business Activities | 14,181 Supportive Housing for Persons with Disabilities | 14 DVP Disaster Voucher Program | Subtotal | ELIM | Total |
|---|---------------|--------------------------------|---------------|-----------------------|---|---------------------------------|-------------|-----------|-------------|
| 97100 Extraordinary Maintenance | \$76,639 | | | | | | \$76,639 | | \$76,639 |
| 97200 Casualty Losses - Non-capitalized | \$220,276 | | | | | | \$220,276 | | \$220,276 |
| 97300 Housing Assistance Payments | \$2,342,232 | | | | \$308,388 | | \$2,650,620 | | \$2,650,620 |
| 97350 HAP Portability-In | \$16,797 | | | | | | \$16,797 | | \$16,797 |
| 97400 Depreciation Expense | \$232,587 | \$10,624 | | | | | \$243,211 | | \$243,211 |
| 97500 Fraud Losses | | | | | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | | | | | |
| 97800 Dwelling Units Rent Expense | \$1,279,066 | \$2,713,194 | \$2,652 | \$1,021 | \$356,076 | \$0 | \$4,352,009 | \$0 | \$4,352,009 |
| 90000 Total Expenses | | | | | | | | | |
| 10010 Operating Transfer In | \$140,000 | | | | | | \$140,000 | \$140,000 | \$0 |
| 10020 Operating Transfer Out | -\$140,000 | | | | | | -\$140,000 | \$140,000 | \$0 |
| 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 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -\$163,497 | -\$309,843 | \$2,482 | \$21,545 | \$0 | \$0 | -\$449,313 | \$0 | -\$449,313 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$6,859,947 | \$1,105,576 | \$107,990 | \$165,381 | \$636 | \$0 | \$8,238,980 | | \$8,238,980 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | | -\$2,067 | | | | | -\$2,067 | | -\$2,067 |
| 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 | | \$417,669 | | | | | \$417,669 | | \$417,669 |
| 11180 Housing Assistance Payments Equity | | \$375,997 | | | | | \$375,997 | | \$375,997 |
| 11190 Unit Months Available | 1869 | 6948 | 0 | | 900 | | 9717 | | 9717 |
| 11210 Number of Unit Months Leased | 1778 | 6435 | 0 | | 900 | | 9113 | | 9113 |
| 11270 Excess Cash | \$126,481 | | | | | | \$126,481 | | \$126,481 |
| 11610 Land Purchases | \$0 | | | | | | \$0 | | \$0 |
| 11620 Building Purchases | \$69,104 | | | | | | \$69,104 | | \$69,104 |
| 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 |



Board of Commissioners
Columbus Housing Authority
Columbus, Indiana

In planning and performing my audit of the financial statements of Columbus Housing Authority as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, I considered the Housing Authority's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbus Housing Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of Columbus Housing Authority's internal control.

The administration of the Housing Authority is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by the administration are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use of disposition and that transactions are executed in accordance with authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

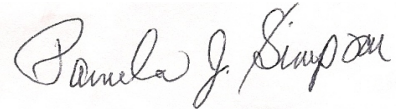
My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. However, my study and evaluation disclosed certain conditions in the following areas of which you should be aware in order to improve operating efficiencies and strengthen internal controls:

1. While reviewing the depreciation schedule, it was noted that assets that have been sold or disposed, are noted on the schedule as both "positive" and "negative" numbers. The positive number continues to be depreciated, thus inflating the expense and misstating the gain or loss on the disposal. Once an asset is disposed of, the cost of the asset and the related accumulated depreciation needs to be removed from the schedule.
2. The Housing Authority recorded fraud recovery receivables correctly, however they should review the method used to record the allowance for doubtful accounts for fraud recovery.

3. The transactions dealing with “portable-in” tenants recorded in the general ledger did not reconcile to amounts recorded in VMS. VMS over reported in total for year, where some months were under reported because of mid-month lease ups. After a review of transactions, it seems the H/A overpaid the one agency and another agency was not billed for mid-month utility allowance payment.
4. Mainstream’s admin fee was calculated at 890 units available but the REAC transmission reported 900 UML’s. These numbers should be reported the same.
5. During the test of forty (40) Voucher tenant files, the following observations were made (a) group homes and shared housing participants rents are not being calculated properly in accordance with the admin plan guidelines, (b) justifications for rent increases were not always located in files and (c) over the counter drugs were allowed in two different files as medical deductions. The intake personnel should review all admin plan guidelines.

This communication is intended solely for the information and used of management, the Board of Commissioners, and others within the housing authority, and is not intended to be and should not be used by anyone other than these specified parties. Please feel free to contact me if you have any questions.

Decatur, Illinois
November 15, 2012



Certified Public Accountant