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June 11, 2014

Board of Directors
Housing Authority of the City of Jeffersonville
206 Eastern Boulevard
Jeffersonville, IN 47130

We have reviewed the audit report prepared by Mountjoy Chilton Medley, LLP, Independent Public Accountants, for the period October 1, 2012 to September 30, 2013. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Jeffersonville, as of September 30, 2013 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings found on pages 24 and 25.

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

STATE BOARD OF ACCOUNTS

Housing Authority of the City of Jeffersonville

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

Year Ended September 30, 2013

Housing Authority of the City of Jeffersonville

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September 30, 2013

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Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Jeffersonville

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Kentucky
Indiana
Ohio

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Independent Auditor's Report (Continued)

Opinion

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

Other Matters

Required Supplementary Information

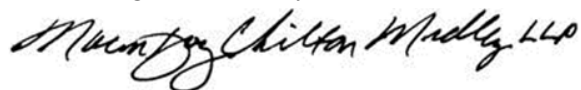
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards 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 not a required part of the financial statements. In addition, the accompanying statement and certification of actual capital fund grant costs and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Jeffersonville, Indiana
May 20, 2014

**Housing Authority of the City of Jeffersonville
Management's Discussion and Analysis (MD&A)
September 30, 2013**

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Our discussion and analysis of the Housing Authority of the City of Jeffersonville, Indiana (the "Housing Authority"), financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2013. Please read the MD&A in conjunction with the Housing Authority's financial statements.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Financial Highlights

Assets

- Current assets decreased during the year from \$594,086 to \$568,418 and fixed assets decreased from \$8,573,715 to \$8,150,706.
- The Housing Authority's total assets reflect a decrease during the year. Total assets decreased from \$9,167,801 to \$8,719,124, a decrease of \$448,677.

Liabilities

- Current liabilities decreased from \$132,775 to \$130,304 and non-current liabilities decreased from \$48,183 to \$42,252.
- The Housing Authority's net liabilities decreased from \$180,958 at year end in 2012 to \$172,556 at year end in 2013.

Revenue

- The Authority received Operating Subsidy and Capital Grants of \$3,536,970 for the year ended September 30, 2013 as compared to \$3,633,042 in the prior year.

Expenses

- Total operating expenses decreased \$51,816 in 2013 from \$4,982,747 to \$4,930,931. This decrease was a result of decreases in utilities, routine maintenance and operation costs and housing assistance payments in the Housing Choice Voucher Program.

**Housing Authority of the City of Jeffersonville
Management's Discussion and Analysis (MD&A) (Continued)
September 30, 2013**

Overview of the Authority's Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. This annual report also contains the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD.

The financial statements of the Housing Authority report information of the Housing Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes all the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Changes in Net Position. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

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

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2013.

Financial Analysis

The Housing Authority accounts for its housing activities in three (3) programs. The Housing Authority has a low rent program that provides housing for qualified tenants, a Capital Fund program that the Housing Authority uses for improvements to its low rent property, and a Housing Choice Voucher program that provides rental assistance to qualified participants.

The following summarizes these programs:

Low Income Public Housing - Under the Low Income Public Housing Program, the Authority rents 369 units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy funding to enable the Authority to provide the housing at a rent that is based upon 30 percent of household income. For the fiscal year ended September 30, 2013, the Authority received \$3.28 million in Operating Subsidy funds.

Capital Fund Program - This is the primary funding source for physical and management improvements to the Authority's properties. For the fiscal year ended September 30, 2013, the Authority received approximately \$245,000 in Capital Fund Program funds.

**Housing Authority of the City of Jeffersonville
Management's Discussion and Analysis (MD&A) (Continued)
September 30, 2013**

Financial Analysis (Continued)

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own properties. The Authority subsidizes the families' rent through a Housing Assistance Payment ("HAP") made to the landlord. The program is administered under an Annual Contribution Contract ("ACC") with HUD. HUD provides ACC funding to enable the Authority to structure a lease that sets the participants' rents at 30 percent of household income. The Authority earns administrative fees to cover the cost of administering the program. As of September 30, 2013, the Authority has 410 vouchers to administer.

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

**Statement of Net Position
September 30, 2013**

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
Assets			
Current assets	\$ 568,418	\$ 594,086	\$ (25,668)
Capital assets, net of depreciation	<u>8,150,706</u>	<u>8,573,715</u>	<u>(423,009)</u>
Total Assets	8,719,124	9,167,801	(448,677)
Liabilities			
Current liabilities	130,304	132,775	(2,471)
Non-current liabilities	<u>42,252</u>	<u>48,183</u>	<u>(5,931)</u>
Total Liabilities	172,556	180,958	(8,402)
Net Position			
Net investment in capital assets	8,150,706	8,573,715	(423,009)
Unrestricted net position	306,812	279,147	27,665
Restricted net position	<u>89,050</u>	<u>133,981</u>	<u>(44,931)</u>
Total Net Position	<u>\$ 8,546,568</u>	<u>\$ 8,986,843</u>	<u>\$ (440,275)</u>

- A current asset is an asset on the balance sheet which is expected to be sold or otherwise used up in the near future, usually within one year, or one business cycle - whichever is longer. Typical current assets include cash, cash equivalents, accounts receivable, inventory, the portion of prepaid accounts which will be used within a year, and short-term investments. The decrease is due mainly to a decrease in cash due to the timing of a collection of a receivable from HUD subsequent to year end.
- A capital asset is an asset that is recorded on a balance sheet as capital - that is, property that creates more property and which produces a benefit that extends beyond the current tax year. The decrease in capital assets is due to the effects of fixed asset additions, disposals, and charges for current-year depreciation expense of \$701,269.

**Housing Authority of the City of Jeffersonville
Management's Discussion and Analysis (MD&A) (Continued)
September 30, 2013**

Financial Analysis (Continued)

- Liabilities consist of obligations the Housing Authority owes and is classified as current (usually due within one year) and non-current. Current and non-current liabilities both decreased from the prior year.
- Total net position decreased by \$440,275. This decrease is the residual effect of the interactions of decrease revenues and expenditures during the current fiscal year which has been explained elsewhere in the MD&A.

**Changes in Net Position
For the Year Ended September 30, 2013**

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
Revenues			
Total tenant revenues	\$ 867,607	\$ 831,937	\$ 35,670
Operating subsidies	3,280,255	3,226,421	53,834
Capital grants	256,715	406,621	(149,906)
Investment income	4,945	13,036	(8,091)
Other revenues	114,085	119,347	(5,262)
	<u>\$ 4,523,607</u>	<u>\$ 4,597,362</u>	<u>\$ (73,755)</u>
Expenses			
Administrative	\$ 889,741	\$ 985,429	\$ (95,688)
Tenant services	9,331	32,671	(23,340)
Utilities	733,622	663,369	70,253
Maintenance and operations	718,758	615,471	103,287
General expenses	199,264	297,668	(98,404)
Depreciation	701,269	731,535	(30,266)
Housing assistance payments	1,655,283	1,656,604	(1,321)
Extraordinary maintenance	23,663	-	23,663
	<u>\$ 4,930,931</u>	<u>\$ 4,982,747</u>	<u>\$ (51,816)</u>
Extraordinary Item, Net Gain (Loss)	<u>\$ (32,951)</u>	<u>\$ (56,396)</u>	<u>\$ 23,445</u>
Decrease in Net Position	<u>\$ (440,275)</u>	<u>\$ (441,781)</u>	<u>\$ 1,506</u>

**Housing Authority of the City of Jeffersonville
Management's Discussion and Analysis (MD&A) (Continued)
September 30, 2013**

Financial Analysis (Continued)

Revenues and Expenses:

- The overall decrease in revenue is a direct result of federal funding cuts of operating subsidy, capital fund grants and HCV program subsidies.
- Tenant revenues increased \$35,670, mostly due to increased leasing activities and changing monthly rent charges for various tenants.
- Routine maintenance increased by \$103,287 due to increases in material purchases and contract costs.
- Extraordinary loss resulted from damages that occurred by a sewer backup at Clark Arms Apartments.

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
Land	\$ 365,272	\$ 365,272	\$ -
Buildings	22,434,639	22,235,839	198,800
Furniture & equipment-dwelling	381,810	323,893	57,917
Furniture & equipment-admin.	<u>504,990</u>	<u>483,447</u>	<u>21,543</u>
Subtotal	23,686,711	23,408,451	278,260
Accumulated depreciation	<u>(15,536,005)</u>	<u>(14,834,736)</u>	<u>(701,269)</u>
Net Capital Assets	<u>\$ 8,150,706</u>	<u>\$ 8,573,715</u>	<u>\$ (423,009)</u>

Capital Assets

- At September 30, 2013, the Housing Authority had \$8,150,706 invested in net capital assets. This amount represents a net decrease of \$423,009.
- The Housing Authority owns the equipment such as stoves, refrigerators, furniture and other appliances placed inside the dwellings. These items are included in furniture, equipment and machinery.

List of Major Improvements:

During fiscal year 2013 the Housing Authority was in the process of completing many repairs to buildings, units and exteriors through the Capital Fund Program. The Housing Authority had three open capital fund programs during the fiscal year to aid in the completion of modernization and repairs of the dwellings. For the current fiscal year end, the Housing Authority received \$256,715 in funding used for capital projects at its various developments

Debt:

At September 30, 2013 the Housing Authority had non-current liabilities of \$42,252. This amount reflects the accrued liability of the Housing Authority for compensated absences. The Housing Authority does not have any long term debt in the form of bonds or notes.

**Housing Authority of the City of Jeffersonville
Management's Discussion and Analysis (MD&A) (Continued)
September 30, 2013**

Economic Factors

The Housing Authority is primarily dependent upon the Department of Housing and Urban Development (DHUD) for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. Local economic conditions (labor and wage rates, unemployment factors, inflation, utility rates, etc.) do have various effects in the operations of the Housing Authority and how we are charged by suppliers, vendors and how we charge our clients. The funding of programs could be significantly affected by future federal budgets as we have seen a downward pattern in funding levels the last 12-18 months over all program areas as well as the recent sequestration in funding across all areas of federal spending. The Housing Authority continually monitors all areas of their programs and will continue to do so in order to isolate cost savings and improve operating efficiencies.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Kirk D. Mann, Executive Director, or John L. Elliott, CPA, Finance Director at the Housing Authority of the City of Jeffersonville, IN 47130, telephone number (812) 283-3553.

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

Assets

Current Assets

Cash - unrestricted	\$	210,904
Cash - restricted		118,225
Cash - tenant security deposits		55,544
Accounts receivable - HUD		132,462
Accounts receivable - miscellaneous		154
Accounts receivable - tenants, net		20,022
Prepaid expenses		24,166
Inventories		6,941

Total Current Assets 568,418

Capital Assets

Land		365,272
Buildings		22,434,639
Furniture, equipment and machinery - dwellings		381,810
Furniture, equipment and machinery - administration		504,990
		<u>23,686,711</u>
Less accumulated depreciation		<u>(15,536,005)</u>

Capital Assets, Net 8,150,706

Total Assets 8,719,124

Deferred Outflows of Resources

-

Liabilities and Net Position

Current Liabilities

Accounts payable		6,557
Accounts payable - HUD		2,319
Accrued wages and payroll taxes		17,102
Accrued compensated absences - current portion		1,332
Tenant security deposits		55,544
Other current liabilities		47,450

Total Current Liabilities 130,304

Non Current Liabilities

Accrued compensated absences, net of current portion		42,152
Other non current liabilities		100

Total Non Current Liabilities 42,252

Total Liabilities 172,556

Deferred Inflows of Resources

-

Net Position

Net investment in capital assets		8,150,706
Unrestricted net position		306,812
Restricted net position		89,050

Total Net Position \$ 8,546,568

See accompanying notes.

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

Operating Revenue	
Tenant revenue	\$ 867,607
HUD PHA operating grants	3,280,255
Fraud recovery	3,860
Other revenue	<u>110,225</u>
Total Operating Revenue	4,261,947
Operating Expenses	
Administrative	889,741
Tenant services	9,331
Utilities	733,622
Ordinary maintenance and operations	718,758
Insurance premiums	106,056
Other general expenses	93,208
Housing assistance payments	1,655,283
Depreciation expense	<u>701,269</u>
Total Operating Expenses	4,907,268
Net operating loss	<u>(645,321)</u>
Nonoperating Revenue (Expense)	
Interest income	4,945
Extraordinary maintenance	<u>(23,663)</u>
Total Nonoperating Expense	<u>(18,718)</u>
Net loss before extraordinary loss and capital fund grants	(664,039)
Extraordinary loss - loss from sewage overflow damaged units, net of insurance proceeds	<u>(32,951)</u>
Net loss before capital fund grants	(696,990)
Capital fund grants	<u>256,715</u>
Change in Net Position	(440,275)
Net Position, Beginning of Year	<u>8,986,843</u>
Net Position, End of Year	<u><u>\$ 8,546,568</u></u>

See accompanying notes.

Housing Authority of the City of Jeffersonville
Statement of Cash Flows
Year Ended September 30, 2013

Operating Activities	
Cash received from tenants	\$ 878,549
Cash received from HUD operating grants	3,150,112
Other cash received	144,281
Housing assistance payments	(1,655,283)
Payments to employees and suppliers	<u>(2,563,330)</u>
Net Cash Used by Operating Activities	(45,671)
Investing Activities	
Interest income earned	<u>4,945</u>
Cash Provided by Investing Activities	4,945
Capital and Related Financing Activities	
Capital grant receipts	256,715
Purchase of capital assets	(278,260)
Payments for sewage overflow damaged units, net	<u>(32,951)</u>
Net Cash Used by Capital and Related Financing Activities	(54,496)
Non-capital Financing Activities	
Extraordinary maintenance	<u>(23,663)</u>
Net Cash Used by Non-capital Financing Activities	(23,663)
Net Decrease in Cash	(118,885)
Operating Cash	
Beginning of Year	<u>503,558</u>
End of Year	<u><u>\$ 384,673</u></u>
Operating Activities	
Net operating loss	\$ (645,321)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation expense	701,269
(Increase) decrease in:	
Accounts receivable - HUD	(132,462)
Accounts receivable - miscellaneous	30,196
Accounts receivable - tenants	5,729
Prepaid expenses	3,489
Inventories	(169)
Increase (decrease) in:	
Accounts payable	5,534
Accounts payable - HUD	2,319
Accrued wages and payroll taxes	(2,958)
Accrued compensated absences	(7,000)
Tenant security deposits	5,213
Other current liabilities	(11,610)
Other noncurrent liabilities	<u>100</u>
Net Cash Used by Operating Activities	<u><u>\$ (45,671)</u></u>
* Cash reconciliation as reported on the Statement of Net Position:	
Cash - unrestricted	\$ 210,904
Cash - restricted	118,225
Cash - tenant security deposits	<u>55,544</u>
	<u><u>\$ 384,673</u></u>

See accompanying notes.

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

Note A - Nature of Organization

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

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City and concluded that the City does not bear responsibility for the Authority's operations. The Mayor of the City appoints an independent Board of Commissioners to oversee the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the City government. Debt incurred by the Authority is not an obligation of the City; the City does not review or approve the Authority's budget; is not entitled to any surplus funds generated by the Authority's operations; and is not responsible for any deficits incurred by the Authority. Consequently, in accordance with the Governmental Accounting Standards Board ("GASB"), management has concluded that the Authority is a separate reporting entity.

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

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

Note B - Summary of Significant Accounting Policies

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

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

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

In accordance with GASB, the Authority's proprietary funds follow all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins, except those that conflict with or contradict a GASB pronouncement.

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

Note B - Summary of Significant Accounting Policies (Continued)

2. Basis of Presentation: All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes. This financial statement presentation provides an indication of the financial performance of the Authority as a whole. Enterprise designations are used to account for activities (a) which are financed with debt that is solely secured by pledge of the net revenues from fees and charges of the activity; (b) which are governed by laws or regulations that require that the activity's costs of providing services be recovered with fees and charges, rather than taxes or similar revenues; or (c) that the pricing policies of the activity establish fees and charges designated to recover its costs.
3. Use of Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
4. Cash Equivalents: The Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents.
5. Allowance for Doubtful Accounts: The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. The allowance for doubtful accounts was \$7,500 for accounts receivable - tenants at September 30, 2013. Management believes all other accounts receivable as of September 30, 2013 were collectible and no allowance was necessary.
6. Inventories: Inventories, consisting of materials and supplies, are stated at the lower of cost or market, reported on a first-in, first-out basis.
7. Capital Assets: Capital assets are stated at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

Depreciation is provided on the basis of the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 10 - 35 years for building and building improvements and 5 - 10 years for building equipment, furniture, maintenance equipment and miscellaneous assets.

8. Impairment: Whenever events indicate that the carrying value of long-lived assets may not be recoverable, the Authority evaluates the carrying values of such assets for potential impairments using future undiscounted cash flows in accordance with the ASC.
9. Revenue and Expenses: Revenue from rentals is recorded as earned over the life of the lease, and expenses are charged against such revenue as incurred without regard to the date of receipt or payment of cash.

The Authority has entered into annual contribution contracts with HUD to develop, manage and own public housing projects and to administer the federal HCV programs whereby the Authority pays the owner a portion of the rent, a housing assistance payment ("HAP"), on behalf of the family. Such contributions are reflected as HUD grants in the accompanying financial statements.

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

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

Note C - Cash Deposits

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

- A. Custodial Credit Risk: Custodial credit risk for deposits and investments is the risk that, in the event of failure by a financial institution, the Authority may not be able to recover the value of its deposits and investments or collateral securities that are in the possession of the financial institution. Statutes authorize the Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities. All cash and investments as of September 30, 2013, were insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company or depository financial institutions. The deposits exceeding the insured or registered limits are collateralized with securities held by the Authority's financial institution.
- B. Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

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

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

The carrying value of the Authority's cash deposits was \$384,673 at September 30, 2013. The bank balances before reconciling items was \$460,240 at September 30, 2013.

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

Note D - Capital Assets

The following is the detail of capital asset transactions during the year ended September 30, 2013:

	Balance 9/30/12	Additions	Disposals	Balance 9/30/13
Land	\$ 365,272	\$ -	\$ -	\$ 365,272
Buildings	22,235,839	198,800	-	22,434,639
Furniture, equipment and machinery-dwellings	323,893	57,917	-	381,810
Furniture, equipment and machinery-administration	483,447	21,543	-	504,990
	23,408,451	278,260	-	23,686,711
Less Accumulated Depreciation	(14,834,736)	(701,269)	-	(15,536,005)
	<u>\$ 8,573,715</u>	<u>\$ (423,009)</u>	<u>\$ -</u>	<u>\$ 8,150,706</u>

Total depreciation expense for the year ended September 30, 2013 was \$701,269.

Note E - Restricted Net Position

In accordance with guidelines established by HUD, any HAP budget authority provided to a housing authority in excess of actual program expenses for the same period must be maintained as restricted net position to be used only for HAP payments incurred in the running of the HCV program. Accordingly, the Authority has recorded \$89,050 as restricted net position and restricted cash at September 30, 2013 in the HCV Program.

Note F - Compensated Absences

Regular full and part-time employees receive sick leave and vacation leave each year based upon length of employment. Both sick leave and vacation leave can be carried forward to successive years, but only vacation leave is eligible to be paid to the employee upon termination, as all sick leave is forfeited at that point. Also, only a maximum of 240 hours of vacation leave is eligible to be paid upon termination. Accordingly, at September 30, 2013, a liability of \$43,484 has been recorded for accrued compensated absences related to accrued vacation hours at that date, which will be required to be paid to employees upon usage or termination.

Note G - Retirement Plan

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

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

Note G - Retirement Plan (Continued)

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

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

For the year ended September 30, 2013, total contributions by the Authority to all plans were \$79,010 based upon \$564,357 of base wage expense to eligible employees.

Note H - Leasing Activities (As Lessor)

The Authority leases roof space on one of its buildings to a wireless communications provider under a noncancelable operating lease with a term of five years, expiring during the year ending September 30, 2016, for \$13,650 per year. Also, the Authority leases a building to the Jeffersonville Parks Authority (the "Parks Authority") under a noncancelable operating lease with a term of 3 years, expiring during the year ending September 30, 2014. The building is leased at a discounted rate of \$1 per year. At September 30, 2013, the capitalized value of the building leased to the Parks Authority was \$1,344,710 and the related accumulated depreciation was \$454,133. For the year ended September 30, 2013, depreciation expense on the building leased to the Parks Authority was \$38,841.

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

<u>Year Ending</u> <u>September 30,</u>		
2014	\$	13,651
2015		13,651
2016		<u>5,688</u>
Total Future Minimum Rental Receipts	<u>\$</u>	<u>32,990</u>

Note I - Income Taxes

The Authority has qualified with the Internal Revenue Service and the Indiana Department of Revenue as a tax-exempt organization for income tax purposes and, accordingly, there is no provision in the financial statements for federal or state income taxes.

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

Note J - Extraordinary Loss

During the year ended September 30, 2013, the Authority incurred expenses for the repair of a public housing unit which had been damaged by a serious sewage overflow during the year. The sewage overflow damage did not cause a complete loss to any of the units and the repairs did not materially alter the book value of any of the units; therefore, the repair costs were netted against the related insurance proceeds received during the year ended September 30, 2013. This resulted in an extraordinary loss of \$32,951 which has been included in the Statement of Revenue, Expenses, and Changes in Net Position.

Note K - Major Funding Source

The Authority is substantially funded by Federal awards. This funding is subject to federal government appropriations and potential funding reductions. Management does not anticipate any material change in funding.

Note L - Risk Management

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

Note M - Contingencies

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

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

Other Reports

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Jeffersonville (the "Authority"), which comprise the statement of net position as of September 30, 2013, and the statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards* (Continued)**

Compliance and Other Matters

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

Purpose of this Report

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



Jeffersonville, Indiana
May 20, 2014

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

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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Jeffersonville's (the "Authority's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2013. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2013-01 and 2013-02. Our opinion on each major federal program is not modified with respect to this matter.

The Authority's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-01 and 2013-02 that we consider to be significant deficiencies.

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

Report on Internal Control over Compliance (Continued)

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in black ink, reading "Munger Chilton Mudley LLP". The signature is written in a cursive, flowing style.

Jeffersonville, Indiana

May 20, 2014

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

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unqualified

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

Noncompliance Material to Financial Statements Noted? yes x no

Federal Awards

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

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

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

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.850	Low Rent Public Housing	\$ 1,108,881
14.872	Public Housing Capital Fund	\$ 700,746
14.871	Section 8 Housing Choice Vouchers	\$ 1,727,343

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

Auditee qualified as low-risk auditee? x yes no

Section II - Financial Statements Findings

None.

**Housing Authority of the City of Jeffersonville
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2013**

Section II - Major Federal Award Programs Audit

FINDING 2013-01 - Public Housing File Testing - Significant Deficiency

Low Rent Public Housing Program (CFDA #14.850)

Condition: Sixty Low Rent Public Housing participant files were tested. The following deficiencies were noted:

- Two (2) participants files did not contain documentation to support income amounts used in the form HUD-50058 rent calculation;
- Eight (8) participants were out of compliance with the community service requirements. Documentation could not be provided to show that the Authority performed sufficient follow-up procedures with those participants.

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

Effect: The Authority was not in compliance with HUD regulations.

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

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

Response: The Authority has implemented procedures to ensure documentation for income amounts used in rent calculations are maintained in tenant files. The Authority underwent an internal review of tenant files to verify documentation is maintained as well as contracting with a third-party consultant to review tenant files for compliance with required HUD documentation standards. In addition, the Authority has increased training opportunities for staff to maintain awareness of HUD compliance with regulatory requirements.

The Authority is developing internal procedures and assignment of responsibilities so that tenants required to perform community service are properly monitored and compliance requirements are met.

Contact Person: Kirk Mann, Executive Director

Anticipated Completion Date: September 30, 2014

**Housing Authority of the City of Jeffersonville
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2013**

**FINDING 2013-02 -Section 8 Housing Choice Voucher Waitlist - Significant Deficiency
Section 8 Housing Choice Voucher Program (CFDA #14.871)**

Condition: Applicants were not properly selected for housing in accordance with the selection policies detailed in the Authority's Administrative Plan. The Authority was following an undocumented internal policy requiring tenants to be over a specified income to be selected for housing.

Criteria: All Housing Choice Voucher Program applicants must be consistently awarded preferences and added to the wait list based upon the preferences and policies detailed in the Authority's Administrative Plan.

Effect: Applicants may not have been added to the Authority's wait list and housed in accordance with the Authority's Administrative Plan.

Cause: Controls were not in place to ensure that applicants were awarded preferences based upon the Authority's Administrative Plan.

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

Recommendation: The Authority should improve controls around the wait list process to ensure all applicants are added to the wait list in accordance with the Authority's Administrative Plan or that the Authority changes the Administrative Plan to reflect this procedure.

Response: The Authority implemented in-house staff meetings to review the Authority's policies governing the addition of applicants to the wait list and granting of preferences during the application procedure. A thorough review of all applicants was performed in order to verify correct preference points were awarded and applicants were placed on wait list according to these governing policies.

Contact Person: Kirk Mann, Executive Director

Anticipated Completion Date: March 31, 2014

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

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

Low Rent Public Housing Program (CFDA #14.850)

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

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

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

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

Low Rent Public Housing Program (CFDA #14.850)

Condition: Forty (40) Low Rent Public Housing participant files were tested. The following deficiencies were noted:

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

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

Status: Per testing performed, the Authority has put in procedures to ensure that move-out inspections are performed whenever a tenant vacates a unit and verified by the Superintendent of Maintenance. However, controls around required documentation in file has been considered a finding in the current year.

**Housing Authority of the City of Jeffersonville
Summary Schedule of Prior Audit Findings (Continued)
Year Ended September 30, 2013**

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

Public Housing Capital Fund Program (CFDA #14.872)

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

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

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

Supplementary Information

Housing Authority of the City of Jeffersonville
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:		
Low Rent Public Housing	14.850	\$ 1,108,881
Section 8 Housing Choice Vouchers	14.871	1,727,343
Public Housing Capital Fund	14.872	<u>700,746</u>
Total Expenditures of Federal Awards		<u>\$ 3,536,970</u>

Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Independent Accountant's Report on Applying Agreed-Upon Procedure

Board of Commissioners
Housing Authority of the City of Jeffersonville

We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Jeffersonville (the Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents included within the OMB Circular A-133 reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for the Authority as of and for the year ended September 30, 2013, and have issued our reports thereon dated May 20, 2014. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule (FDS) dated May 20, 2014, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the financial statement package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.



Jeffersonville, Indiana
May 21, 2014

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

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

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

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

	Project Total	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	163,695	43,701	3,508	210,904		210,904
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		118,225		118,225		118,225
114 Cash - Tenant Security Deposits	55,544			55,544		55,544
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	219,239	161,926	3,508	384,673	-	384,673
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	132,462			132,462		132,462
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous			154	154		154
126 Accounts Receivable - Tenants	27,522			27,522		27,522
126.1 Allowance for Doubtful Accounts - Tenants	(7,500)			(7,500)		(7,500)
126.2 Allowance for Doubtful Accounts - Other	-		-	-		-
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	152,484	-	154	152,638	-	152,638
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	21,427		2,739	24,166		24,166
143 Inventories	6,941			6,941		6,941
143.1 Allowance for Obsolete Inventories	-			-		-
144 Inter Program Due From			74,240	74,240	(74,240)	-
145 Assets Held for Sale						
150 Total Current Assets	400,091	161,926	80,641	642,658	(74,240)	568,418
161 Land	365,272			365,272		365,272
162 Buildings	22,434,639			22,434,639		22,434,639
163 Furniture, Equipment & Machinery - Dwellings	381,810			381,810		381,810
164 Furniture, Equipment & Machinery - Administration			504,990	504,990		504,990
165 Leasehold Improvements						
166 Accumulated Depreciation	(15,067,025)		(468,980)	(15,536,005)		(15,536,005)
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	8,114,696	-	36,010	8,150,706	-	8,150,706
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	8,114,696	-	36,010	8,150,706	-	8,150,706
190 Total Assets	8,514,787	161,926	116,651	8,793,364	(74,240)	8,719,124

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

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

	Project Total	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	4,022		2,535	6,557		6,557
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	9,082	2,294	5,726	17,102		17,102
322 Accrued Compensated Absences - Current Portion	791	318	223	1,332		1,332
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs		2,319		2,319		2,319
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						
341 Tenant Security Deposits	55,544			55,544		55,544
342 Deferred Revenues						
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other	34,094		13,356	47,450		47,450
347 Inter Program - Due To	51,654	22,586		74,240	(74,240)	-
348 Loan Liability - Current						
310 Total Current Liabilities	155,187	27,517	21,840	204,544	(74,240)	130,304
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		100		100		100
354 Accrued Compensated Absences - Non Current	25,033	10,052	7,067	42,152		42,152
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	25,033	10,152	7,067	42,252	-	42,252
300 Total Liabilities	180,220	37,669	28,907	246,796	(74,240)	172,556
508.1 Invested In Capital Assets, Net of Related Debt	8,114,696		36,010	8,150,706		8,150,706
511.1 Restricted Net Assets		89,050		89,050		89,050
512.1 Unrestricted Net Assets	219,871	35,207	51,734	306,812		306,812
513 Total Equity/Net Assets	8,334,567	124,257	87,744	8,546,568	-	8,546,568
600 Total Liabilities and Equity/Net Assets	8,514,787	161,926	116,651	8,793,364	(74,240)	8,719,124

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

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2013

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	823,848			823,848		823,848
70400 Tenant Revenue - Other	43,759			43,759		43,759
70500 Total Tenant Revenue	867,607	-	-	867,607	-	867,607
70600 HUD PHA Operating Grants	1,552,912	1,727,343	-	3,280,255		3,280,255
70610 Capital Grants	256,715		-	256,715		256,715
70710 Management Fee			344,848	344,848	(344,848)	-
70720 Asset Management Fee			29,160	29,160	(29,160)	-
70730 Book Keeping Fee			37,410	37,410	(37,410)	-
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue			411,418	411,418	(411,418)	-
70800 Other Government Grants						
71100 Investment Income - Unrestricted	4,176	72	531	4,779		4,779
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery		3,860		3,860		3,860
71500 Other Revenue	21,336	61,867	27,022	110,225		110,225
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted		166		166		166
70000 Total Revenue	2,702,746	1,793,308	438,971	4,935,025	(411,418)	4,523,607
91100 Administrative Salaries	233,982	101,982	169,469	505,433		505,433
91200 Auditing Fees	20,300			20,300		20,300
91300 Management Fee	339,820	5,028		344,848	(344,848)	-
91310 Book-keeping Fee	32,108	5,302		37,410	(37,410)	-
91400 Advertising and Marketing	227		1,690	1,917		1,917
91500 Employee Benefit contributions - Administrative	135,139	56,993	59,970	252,102		252,102
91600 Office Expenses	11,848	5,598	80,166	97,612		97,612
91700 Legal Expense	3,555		115	3,670		3,670
91800 Travel	3,433	56	5,218	8,707		8,707
91810 Allocated Overhead						
91900 Other						
91000 Total Operating - Administrative	780,412	174,959	316,628	1,271,999	(382,258)	889,741
92000 Asset Management Fee	29,160			29,160	(29,160)	-
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	9,331			9,331		9,331
92500 Total Tenant Services	9,331	-	-	9,331	-	9,331
93100 Water	77,698		415	78,113		78,113
93200 Electricity	292,498		9,209	301,707		301,707
93300 Gas	177,068		1,636	178,704		178,704
93400 Fuel						
93500 Labor						
93600 Sewer	174,123		975	175,098		175,098
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	721,387	-	12,235	733,622	-	733,622
94100 Ordinary Maintenance and Operations - Labor	223,321			223,321		223,321
94200 Ordinary Maintenance and Operations - Materials and Other	103,396		5,439	108,835		108,835
94300 Ordinary Maintenance and Operations Contracts	157,482		14,614	172,096		172,096
94500 Employee Benefit Contributions - Ordinary Maintenance	214,506			214,506		214,506
94000 Total Maintenance	698,705	-	20,053	718,758	-	718,758

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

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

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	-	-	-	-	-	-
96110 Property Insurance						
96120 Liability Insurance	81,141		5,441	86,582		86,582
96130 Workmen's Compensation	7,349	1,311	1,961	10,621		10,621
96140 All Other Insurance	8,391	462		8,853		8,853
96100 Total insurance Premiums	96,881	1,773	7,402	106,056	-	106,056
96200 Other General Expenses	42,461		1,410	43,871		43,871
96210 Compensated Absences	(8,598)	753	846	(6,999)		(6,999)
96300 Payments in Lieu of Taxes	14,622			14,622		14,622
96400 Bad debt - Tenant Rents	41,714			41,714		41,714
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	90,199	753	2,256	93,208	-	93,208
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	-
96900 Total Operating Expenses	2,426,076	177,485	358,574	2,962,135	(411,418)	2,550,717
97000 Excess of Operating Revenue over Operating Expenses	276,670	1,615,823	80,397	1,972,890	-	1,972,890
97100 Extraordinary Maintenance	23,663			23,663		23,663
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		1,603,266		1,603,266		1,603,266
97350 HAP Portability-In		52,017		52,017		52,017
97400 Depreciation Expense	681,358		19,911	701,269		701,269
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	3,131,096	1,832,768	378,485	5,342,349	(411,418)	4,930,931
10010 Operating Transfer In	346,196			346,196		346,196
10020 Operating transfer Out	(346,196)			(346,196)		(346,196)
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	(32,951)			(32,951)		(32,951)
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)	(32,951)	-	-	(32,951)	-	(32,951)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(461,301)	(39,460)	60,486	(440,275)	-	(440,275)
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-
11030 Beginning Equity	8,795,868	163,717	27,258	8,986,843		8,986,843
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-			-		-

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

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2013

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
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		35,207		35,207		35,207
11180 Housing Assistance Payments Equity		89,050		89,050		89,050
11190 Unit Months Available	4,428	4,920		9,348		9,348
11210 Number of Unit Months Leased	4,281	4,269		8,550		8,550
11270 Excess Cash	14,364			14,364		14,364
11610 Land Purchases	-		-	-		-
11620 Building Purchases	-		-	-		-
11630 Furniture & Equipment - Dwelling Purchases	-		-	-		-
11640 Furniture & Equipment - Administrative Purchases	-		21,543	21,543		21,543
11650 Leasehold Improvements Purchases	-		-	-		-
11660 Infrastructure Purchases	-		-	-		-
13510 CFFP Debt Service Payments	-		-	-		-
13901 Replacement Housing Factor Funds	-		-	-		-

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

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

	IN023100000	IN023200000	Total
111 Cash - Unrestricted	2,633	161,062	163,695
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	17,848	37,696	55,544
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	20,481	198,758	219,239
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	132,462		132,462
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	13,477	14,045	27,522
126.1 Allowance for Doubtful Accounts -Tenants	(2,500)	(5,000)	(7,500)
126.2 Allowance for Doubtful Accounts - Other	-		-
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	143,439	9,045	152,484
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	8,927	12,500	21,427
143 Inventories	2,360	4,581	6,941
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	175,207	224,884	400,091
161 Land	124,192	241,080	365,272
162 Buildings	7,723,637	14,711,002	22,434,639
163 Furniture, Equipment & Machinery - Dwellings	165,556	216,254	381,810
164 Furniture, Equipment & Machinery - Administration			
165 Leasehold Improvements			
166 Accumulated Depreciation	(4,998,396)	(10,068,629)	(15,067,025)
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	3,014,989	5,099,707	8,114,696
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	3,014,989	5,099,707	8,114,696
190 Total Assets	3,190,196	5,324,591	8,514,787

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

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

	IN023100000	IN023200000	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	1,661	2,361	4,022
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	3,839	5,243	9,082
322 Accrued Compensated Absences - Current Portion	375	416	791
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits	17,848	37,696	55,544
342 Deferred Revenues			
343 Current Portion of Long-term Debt - Capital			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other	8,437	25,657	34,094
347 Inter Program - Due To	51,654		51,654
348 Loan Liability - Current			
310 Total Current Liabilities	83,814	71,373	155,187
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	11,873	13,160	25,033
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	11,873	13,160	25,033
300 Total Liabilities	95,687	84,533	180,220
508.1 Invested In Capital Assets, Net of Related Debt	3,014,989	5,099,707	8,114,696
511.1 Restricted Net Assets			
512.1 Unrestricted Net Assets	79,520	140,351	219,871
513 Total Equity/Net Assets	3,094,509	5,240,058	8,334,567
600 Total Liabilities and Equity/Net Assets	3,190,196	5,324,591	8,514,787

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

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

	IN023100000	IN023200000	Total
70300 Net Tenant Rental Revenue	276,112	547,736	823,848
70400 Tenant Revenue - Other	20,917	22,842	43,759
70500 Total Tenant Revenue	297,029	570,578	867,607
70600 HUD PHA Operating Grants	808,341	744,571	1,552,912
70610 Capital Grants	142,386	114,329	256,715
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	1,463	2,713	4,176
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	622	20,714	21,336
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	1,249,841	1,452,905	2,702,746
91100 Administrative Salaries	114,473	119,509	233,982
91200 Auditing Fees	7,770	12,530	20,300
91300 Management Fee	181,518	158,302	339,820
91310 Book-keeping Fee	10,928	21,180	32,108
91400 Advertising and Marketing	144	83	227
91500 Employee Benefit contributions - Administrative	62,404	72,735	135,139
91600 Office Expenses	4,232	7,616	11,848
91700 Legal Expense	1,405	2,150	3,555
91800 Travel	1,460	1,973	3,433
91810 Allocated Overhead			
91900 Other			
91000 Total Operating - Administrative	384,334	396,078	780,412
92000 Asset Management Fee		29,160	29,160
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	4,671	4,660	9,331
92500 Total Tenant Services	4,671	4,660	9,331
93100 Water	17,731	59,967	77,698
93200 Electricity	148,062	144,436	292,498
93300 Gas	71,264	105,804	177,068
93400 Fuel			
93500 Labor			
93600 Sewer	49,421	124,702	174,123
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	286,478	434,909	721,387
94100 Ordinary Maintenance and Operations - Labor	105,369	117,952	223,321
94200 Ordinary Maintenance and Operations - Materials and	38,496	64,900	103,396
94300 Ordinary Maintenance and Operations Contracts	62,184	95,298	157,482

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

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

	IN023100000	IN023200000	Total
94500 Employee Benefit Contributions - Ordinary Maintenance	103,256	111,250	214,506
94000 Total Maintenance	309,305	389,400	698,705
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	-	-	-
96110 Property Insurance			
96120 Liability Insurance	30,182	50,959	81,141
96130 Workmen's Compensation	3,093	4,256	7,349
96140 All Other Insurance	3,362	5,029	8,391
96100 Total insurance Premiums	36,637	60,244	96,881
96200 Other General Expenses	25,982	16,479	42,461
96210 Compensated Absences	(4,026)	(4,572)	(8,598)
96300 Payments in Lieu of Taxes	1,055	13,567	14,622
96400 Bad debt - Tenant Rents	29,068	12,646	41,714
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	52,079	38,120	90,199
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	-	-	-
96900 Total Operating Expenses	1,073,505	1,352,571	2,426,076
97000 Excess of Operating Revenue over Operating Expenses	176,336	100,334	276,670
97100 Extraordinary Maintenance	17,194	6,469	23,663
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	237,193	444,165	681,358
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	1,327,891	1,803,205	3,131,096
10010 Operating Transfer In	214,786	131,410	346,196
10020 Operating transfer Out	(214,786)	(131,410)	(346,196)
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	(6,982)	(25,969)	(32,951)
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)	(6,982)	(25,969)	(32,951)

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

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

	IN023100000	IN023200000	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(85,032)	(376,269)	(461,301)
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	3,179,541	5,616,327	8,795,868
11040 Prior Period Adjustments, Equity Transfers and Correction		-	-
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			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1512	2916	4428
11210 Number of Unit Months Leased	1457	2824	4281
11270 Excess Cash	(9,352)	23,716	14,364
11610 Land Purchases	-	-	-
11620 Building Purchases	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-
11650 Leasehold Improvements Purchases	-	-	-
11660 Infrastructure Purchases	-	-	-
13510 CFFP Debt Service Payments	-	-	-
13901 Replacement Housing Factor Funds	-	-	-