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January 13, 2016

Board of Directors
Housing Authority of the City of Elkhart
1396 Benham Avenue
Elkhart, IN 46516

We have reviewed the audit report prepared by Mountjoy Chilton Medley, LLP, Independent Public Accountants, for the period April 1, 2012 to March 31, 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 Elkhart, as of March 31, 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 in the report. One is referenced in the 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 and one is referenced in the Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control over Compliance. The first finding describes inadequate internal controls over accounts receivable and net position with a recommendation to improve the controls over account reconciliation and financial statement preparation to ensure that the financial statements are free from misstatements. The second finding describes a lack of housing applicant documentation and other deficiencies in the housing applicant selection process with a recommendation to improve controls and add a review of the applicants added to the wait list monthly to ensure applicants are added to the wait list based on their actual preferences and those preferences are in accordance with the current Authority's Admissions and Continued Occupancy Policy.

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

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

Paul D. Joyce, CPA
State Examiner

Housing Authority of the City of Elkhart

**Financial Statements
and Supplementary Information**

Year Ended March 31, 2013

Housing Authority of the City of Elkhart

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March 31, 2013

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Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Elkhart

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Elkhart (the "Authority") as of and for the year ended March 31, 2013, and the related notes to the financial statements, 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 the 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 the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2013, and its changes in financial position and 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

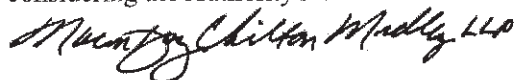
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 December 31, 2013, 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
December 31, 2013



MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal Year 2013 Year End Audit Report

By: Joan Lau, Director Finance Elkhart Housing Authority

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Elkhart Housing Authority's (the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

This Management Discussion and Analysis will be presented at the front of each year's financial statements.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 15).

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Financial Highlights

- The Authority's net position increased \$292,645 (or 2%) during the year ended March 31, 2013. Since the Authority engages in business-type, Comprehensive counseling, New Construction S/R Section 8, Low Rent Public Housing, Housing Choice Voucher, and Capital Fund program activities, the increase in net position is net profit of \$292,645. Our combined Net Position was as follows:
 - 2013=\$13,086,629
 - 2012=\$12,793,984
 - 2011=\$12,405,698
- Total assets increased by \$324,633 due to an increase in capital assets of \$257,758 and current assets increasing by \$66,875.
- Capital assets increase was caused primarily by the following:
 - Decreases in equipment both in dwelling & administration of \$137,015 and \$8,291, respectively;
 - Annual depreciation expenses and sale of assets reducing accumulated depreciation to \$655,293
 - Increases in leasehold improvements of \$965,567
 - Increases in construction in progress of \$92,792
- Current assets increased by \$66,875 consisting of:
 - Cash decreased by \$36,199. Restricted cash and tenant security deposit funds increased by \$118,430 and \$5,601, respectively. Unrestricted cash decreased by \$157,230.
 - Investments in certificates of deposit increased by \$300,000.
 - Net receivables were down by \$334,430 mostly due to:
 - Accounts receivable- HUD other projects down by \$351,007
 - A decrease in accounts receivable- tenant of \$7,644
 - Allowance for doubtful accounts decreased, adding back \$8,199
 - Accrued interest was up \$4,459.
 - Prepaid expense was up by \$152,674 due mostly to a purchase of new computer software for the agency of \$143,352.
 - Inventories decreased by \$15,630 by changing to a Just in Time "JIT" approach to inventory.
- Total Liabilities were up by \$31,988 split with an increase in current liabilities of \$54,917 and a decrease in noncurrent liabilities of \$22,929.
 - Current liabilities increase was made up of the following:
 - Accrued payable increased by \$44,493
 - Accrued payroll increased by \$19,311 due payroll date falling mostly in the FYE of 2013
 - Compensated absence current portion was reduced by \$29,730
 - Other small increases to:
 - Accounts payable- HUD \$6,288- a new HUD ruling stating all interest based on the restricted cash or investments will be an accounts payable to HUD.
 - Accounts payable - other government \$4,567
 - Tenant security deposits up by \$5,601
 - Unearned revenue up by \$7,480
 - Non-current Liabilities were down by \$22,929 consisting of:
 - A reduction to FSS Escrow in other non-current liabilities of \$23,969
 - An increase in non-current accrued compensated absences of \$28,667

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Financial Highlights (Continued)

- Total revenue increased by \$59,585 (or .69%) from 2012's \$8,554,274 to \$8,613,859 in 2013.
 - Capital grant revenue was up by \$353,957 due to the finishing several grants in the current year. Window replacement at Riverside High-rise and a new skin on our Waterfall High-rise building make up the majority of this increase.
 - Secondly Operating Grants revenue was down by \$441,097 due to higher pro-ration in our HCV department's administration fees and a decision to postpone taking Administration fees from the Capital Fund program for the Central Office until next year.
 - Fraud recovery revenue was up by \$17,439 due to the EIV (Enterprise Income Verification).
 - Investment interest was down by a total of \$7,302 split between unrestricted of \$4,013 and \$3,289 in restricted interest. This was due to lower restricted cash balances and a lower interest rate, and a new ruling to place all interest on restricted cash in a payable to HUD.
- Total expenses of all Authority programs increased by \$155,226. Total expenses were \$8,321,214 for 2013 and \$8,165,988 in 2012 respectively. This increase consisted of the following:

Administration expenses	\$ 6,244
Tenant Services	1,719
Utilities	1,620
Ordinary maintenance and operations	9,585
Protective Services	24,722
Insurance premiums	1,458
Other general expenses	(3,913)
Housing assistance payments	47,455
Depreciation expense	23,896
Casualty losses	42,440
	<u>\$ 155,226</u>

- The increase in total expenses of \$155,226 was primarily made up of the following:
 - Administrative expenses increased by \$6,244.
 - Salary and benefits increased by \$9,804. The Authority had turnover of employees. Increases in benefits stemmed from unemployment taxes paid to the exiting employees.
 - Office expense decreased by \$55,671 mostly due to a reduction in paper expense due to scanning data and a reduction in office supplies usage.
 - Travel and training increased by \$42,706. The EHA alternates training to reduce costs. This was an on year for training.
 - Audit costs increased \$11,239.
 - Increased advertising of \$1,300 to increase occupancy.
 - Legal expense was down by \$1,968 due to the Authority taking most cases to small claims court.

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Financial Highlights (Continued)

- Maintenance costs increased by \$9,585. Decreases in Benefits were due to employee turnover and a delay in re-hiring.
 - By far the largest decrease was \$24,667 in contract costs.
 - Maintenance material cost was increased by \$31,876
 - Maintenance Labor increased by \$8,238 and benefits decreased by \$2,853
- Tenant Services was up \$1,719.
- Utilities were up only slightly at \$1,620.
- Protection Services were up \$24,722 from last year. This was a 30.37% increase. Funding from the Capital Fund Grants allowed for increased services.
- General expense was down by \$3,912. This was caused by the following:
 - Compensated absence expense was down \$14,057 due to increased usage of time off.
 - Payment of lieu of taxes (PILOT) was down by \$3,802
 - Bad debt was up \$13,947 due to the use of Enterprise Income Verification (EIV) - HUD's system of income verification.
- Insurance expense was just about level from last year.
- Casualty losses were up by \$50,785 due to a fire in a unit at Washington Gardens. The majority of the expenses will hit our FYE2014 books, but the proceeds from the insurance check will show up on the FYE 2013 books due to timing.
- Casualty loss was about level to last year.
- HAP (Housing Assistance Payments) expense was up by \$47,455. This was due to increase in occupancy and our payment standard ranging from 95-105% of fair market rent for our area. A higher payment standard allows for more funds being placed at the tenant's disposal to rent higher priced apartments under the voucher program.
- HAP Port-in expense decreased by \$88,656. The Authority elected to absorb those vouchers to increase our occupancy numbers.
- Depreciation expense increased by \$23,896. Large dollar projects were finished last year. All windows were replaced at our Riverside high-rise and a new skin was placed on our Waterfall high-rise. This caused higher depreciation.

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Using this Annual Report

MD&A
~ Management Discussion
And Analysis ~

Basic Financial Statements
~ Authority-wide Financial Statements - pgs. 15-19~
~ Notes to Financial Statements (expanded/restructured) - pgs 20-26 ~

Other Required Supplementary Information
~ Required Supplementary Information pg. 36~
(Other than MD&A)

The primary focus of the Authority's financial statement (summarized fund-type information) has been discarded. The new and clearly preferable focus is on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Authority-wide Financial Statements

The Authority-wide financial statements (see pgs. 15 - 19) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in a format, where assets minus liabilities equal "Net Position". Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Authority-wide Financial Statements - (Continued)

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, depreciation, Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, investing activities, non-capital financing activities, and from capital and related financing activities.

Fund Financial Statements

The Authority's Funds

Business Type Funds- the Housing Finance Corporation and the Elkhart Community Housing Corporations are sister Not - For - Profit entities to encourage affordable housing for the low income clientele of Elkhart County.

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents 672 units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Non-major Funds - In addition to the major funds above, the Authority also maintains the following non-major funds. Non-major funds are defined as funds that have assets, liabilities, revenues, or expenses of at least 5% or more of the Authority's total assets, liabilities, revenues or expenses:

Business Activities - represents non-HUD resources developed from a variety of activities.

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Authority-Wide Statement

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged in Business-Type Activities, Conventional Housing & Housing Choice Voucher.

Authority-wide Statement

Statement of Net Position

**Table 1
Statement of Net Position**

	2013 (In thousand of dollars)	2012 (In thousands of dollars)
Current and Other Assets	\$ 4,394.9	\$ 4,328.0
Capital Assets	9,272.1	9,014.4
Total Assets	<u>\$13,667.0</u>	<u>\$13,342.4</u>
Current Liabilities	\$ 401.8	\$ 346.9
Long-Term Liabilities	178.6	201.5
Total Liabilities	<u>\$ 580.4</u>	<u>\$ 548.4</u>
Net Position:		
Net Investment in Capital Assets	9,272.1	9,014.4
Unrestricted	3,229.0	3,309.3
Restricted	585.5	470.3
Total Net Position	<u>\$13,086.6</u>	<u>\$12,794.0</u>

For more detailed information see pages 15 and 16 for the Statement of Net Position.

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Major Factors Affecting the Statement of Net Position

Current assets were decreased by \$66,875 Capital Assets increased by \$257,758. Primarily these numbers changed by the following:

Current Assets	
Cash unrestricted	\$ (157,230)
Cash restricted	118,430
Cash tenant security deposits	2,601
Accounts receivable PHA projects	(3,528)
Accounts receivable from HUD	(351,007)
Account receivable misc. net	15,091
Net tenant accounts receivable	555
Notes receivable current portion	-
Accrued interest receivable	4,459
Investments	300,000
Prepaid expenses	152,674
Inventories, net	<u>(15,170)</u>
	<u>\$ 66,875</u>

Capital Assets	
Land	\$ -
Building	-
Furniture and equipment - dwellings	(137,015)
Furniture and equipment - administration	(8,291)
Leasehold improvements	965,567
Construction in progress (CIP)	(655,295)
Accumulated depreciation	<u>92,792</u>
	<u>\$ 257,758</u>

The Dwellings and Administration lines were affected by the completion of several large capital fund projects. Constructions in Progress of \$92,792 and large dollar projects completed caused a net increase of \$321,625 in assets. These came from Capital Fund Projects. Equipment both for Administration and Dwelling increase from both Capital Fund purchase and management's decision to use cash to invest in Capital Assets. For more detail see "Capital Assets and Debt Administration" below.

Liabilities increased by \$31,988. The majority of the increase was due to Accounts Payables which increased by \$44,493. The majority of the increase in Accounts Payables was due to a timing issue on a Capital Fund project of \$38,420 paid in April 2013. OPEB liability was eliminated this year reducing total liabilities by \$27,627. FSS escrow was down by \$23,969 due to a temporary reduction in FSS clients and from clients graduating from the program or forfeiture by departures from the program.

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Major Factors Affecting the Statement of Net Position (Continued)

Accounts payable-vendor	\$ 44,493
Accrued wages	19,311
Accrued compensated absences, current portion	(29,730)
Accounts payable- HUD	6,288
Accounts payable - other government	4,567
Tenant security deposits	5,601
Unearned revenue	7,480
Other non-current liabilities	(8,058)
Accrued liabilities	4,965
Other non-current liabilities	(23,969)
Accrued compensated absences, non current	28,667
Accrued pension and other OPEB liabilities	<u>(27,627)</u>
	<u>\$ 31,988</u>

Table 2 presents details on the change in Unrestricted Net Position

**Table 2
Change of Unrestricted Net Position**

	Thousands of dollars
Unrestricted Net Position 03/31/12	\$3,309.3
Results of Operations - total	292.6
Results restricted net position	(19.9)
Capital Assets	<u>(257.7)</u>
Unrestricted Net Position 3/31/13	<u>\$3,324.3</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

**Table 3
Statement of Revenues, Expenses and Changes in Net Position**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	2013 (Thousands of dollars)	2012 (Thousands of dollars)
Revenues		
Tenant revenue - rents and other	\$1,053.7	\$1,045.9
Operating subsidies and grants	6,360.0	6,801.1
Capital grants	819.2	465.2
Other grants	3.3	-
Investment income-unrestricted	14.1	18.1
Fraud recovery revenue	69.6	52.2
Other revenue	287.7	168.5
Investment-restricted	-	3.3
Gain on sale of assets	6.3	-
Total Revenue	<u>8,613.9</u>	<u>8,554.3</u>
Expenses		
Administrative	1,600.2	1,593.9
Tenant services	14.2	12.5
Utilities	299.5	297.9
Maintenance	1,154.4	1,144.8
Insurance	185.4	183.9
Protective services	81.4	56.7
General	123.7	127.6
Extraordinary maintenance	50.8	8.8
Casualty loss	1.1	.6
Depreciation	737.2	713.3
Housing assistance payments	<u>4,073.4</u>	<u>4,026.0</u>
Total Expenses	<u>8,321.3</u>	<u>8,166.0</u>
Net Increase	<u>\$ 292.6</u>	<u>\$ 388.3</u>

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position

Tenant revenue increased \$14,272 due to lower than expected occupancy. Other tenant revenue was decreased by \$6,407. There was an increase in tenant charges on work orders. Occupancy for the following years is listed:

2013	94.97%
2012	94.95%
2011	96.28%
2010	96.15%

**Housing Authority of the City of Elkhart
Management's Discussion and Analysis (Continued)
March 31, 2013**

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position (Continued)

Operating Subsidies decreased by 6.48%. This was due to the directive of HUD that a portion of our operating subsidies would be taken out of reserves. The Authority elected to preserve our net position and receive fewer subsidies. Capital grants revenue (financial data schedule line 706.1) increased by 76.08% or \$353,957. This increase was due to a large ticket projects finishing this year. Interest income was down by \$7,302 (\$4,013-unrestricted and \$3,289-restricted) mainly due to lower interest rates upon and a purchase of new Certificate of Deposits towards the end of the year. The Authority sold vehicles that had expended their useful life for a gain of \$6,300.

Operating expenses increased overall by \$41,435. Administrative expenses increased \$6,244 due to increased auditing cost of \$11,239 and increased training/travel cost of \$42,706. These were offset by decreases in office expense of \$55,671 and legal expense of \$1,968. Combined administrative salary and benefits increased by \$9,804. Salary increased by \$672 and benefits increased \$9,132. Utilities increased by \$1,620 - Electricity was up by only \$114. Gas was up by \$1,284. Water expense was down by \$2,353 but sewer expense was up by \$2,575. This increase was mainly due to high storm water drainage levees by the City of Elkhart. Protective services increased by \$24,722. Insurance premiums increased by \$1,458 which was mainly level. Depreciation increased due to new large capital assets were placed in service in the last year. Maintenance costs were increased by \$9,585 due to decreases in contract costs by a switch to fee for service from outside contractors. Material and Maintenance Labor both increased due to the same reason of increased fee for service. Maintenance Benefits were reduced due to employee turnover.

Capital Assets and Debt Administration

Capital Assets

As of the year end, the Authority had \$9,272,146 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (addition, deductions and depreciation) of \$257,758 from the end of last year.

**Table 4
Capital Assets at Year-End
(Net of Depreciation)**

	Business-type Activities	
	2013	2012
Land and land rights	\$ 1,065,518	\$ 1,065,518
Buildings	16,091,717	16,091,717
Equipment - Administrative	646,731	474,769
Equipment - Dwelling	466,478	783,746
Leasehold Improvements	13,354,597	12,389,030
Accumulated Depreciation	(22,456,401)	(21,801,108)
Construction In Progress	103,508	10,716
Total	\$9,272,146	\$9,014,388

**Housing Authority of the City of Elkhart
 Management's Discussion and Analysis (Continued)
 March 31, 2013**

Capital Assets and Debt Administration (Continued)

The following reconciliation summarizes the change in Capital Assets:

**Table 5
 Change in Capital Assets**

Beginning Balance	\$9,014,388
Additions	895,940
Construction in Progress	103,508
Retirements	(86,395)
Depreciation	<u>(655,295)</u>
Ending Balance	<u><u>\$9,272,146</u></u>

This year's major additions are:

Business - Type Activities	
Leasehold improvements	\$ 865,401
Equipment Purchases	\$ 30,539
Construction in progress	\$ 103,508

Debt Outstanding

As of year-end, the Authority had no outstanding debts.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Rising fuel cost.

Financial Contact

The individual to be contacted regarding this report is Joan Lau, Director of Finance of the Housing Authority of the City of Elkhart, at (574) 295-8392. Specific requests may be submitted to Joan Lau, Director of Finance, Housing Authority of the City of Elkhart, 1396 Benham Ave, Elkhart, IN 46516.

Housing Authority of the City of Elkhart
Statement of Net Position
March 31, 2013

Assets

Current Assets

Cash and cash equivalents	\$ 1,738,980
Cash and cash equivalents - restricted	682,572
Investments	1,600,000
Accounts receivable - PHA projects	7,640
Accounts receivable - tenants, net	29,834
Accounts receivable - HUD	3,222
Accounts receivable - miscellaneous	57,602
Accrued interest receivable	10,650
Inventory, net	55,296
Other assets	209,056
	<hr/>
Total Current Assets	4,394,852
	<hr/>

Capital Assets

Land	1,065,518
Buildings	16,091,717
Furniture, equipment and machinery	1,113,209
Leasehold improvements	13,354,597
Construction in progress	103,508
	<hr/>
	31,728,549
Less: accumulated depreciation	(22,456,403)
	<hr/>
Capital Assets, Net	9,272,146
	<hr/>
Total Assets	13,666,998
	<hr/>

Deferred Outflows of Resources

 -

Housing Authority of the City of Elkhart
Statement of Net Position (Continued)
March 31, 2013

Liabilities

Current Liabilities

Accounts payable	\$ 99,295
Accounts payable - HUD	10,395
Accounts payable - other government	63,833
Accrued compensated absences - current portion	41,760
Accrued wages/payroll taxes payable	62,468
Security deposits	91,864
Unearned revenue	25,511
Other current liabilities	<u>6,657</u>

Total Current Liabilities 401,783

Noncurrent Liabilities

Accrued compensated absences - net of current portion	83,025
Other noncurrent liabilities	<u>95,561</u>

Total Noncurrent Liabilities 178,586

Total Liabilities 580,369

Deferred Inflows of Resources

-

Net Position

Net investment in capital assets	9,272,146
Unrestricted net position	3,324,301
Restricted net position	<u>490,182</u>

Total Net Position \$ 13,086,629

See accompanying notes.

Housing Authority of the City of Elkhart
Statement of Revenues, Expenses and Changes in Net Position
Year Ended March 31, 2013

Operating Revenues	
Tenant revenue	\$ 1,053,710
HUD PHA operating grants	6,360,007
Fraud recovery	69,636
Other revenue	290,960
	<hr/>
Total Operating Revenues	7,774,313
	<hr/>
Operating Expenses	
Administration	1,600,185
Tenant service	14,157
Utilities	299,545
Ordinary maintenance and operations	1,154,407
Protective services	81,396
Insurance premiums	185,366
Other general expenses	123,660
Housing assistance payments	4,073,448
Depreciation	737,190
	<hr/>
Total Operating Expenses	8,269,354
	<hr/>
Net Operating Loss	(495,041)
	<hr/>
Nonoperating Revenue (Expense)	
Interest and investment revenue	14,059
Gain on disposal of capital assets	6,300
Casualty losses	(51,860)
	<hr/>
Total Nonoperating Expense, Net	(31,501)
	<hr/>
Net Loss Before Capital Fund Grant	(526,542)
	<hr/>
Capital Fund Grant	819,187
	<hr/>
Change in Net Position	292,645
	<hr/>
Net Position, Beginning of Year	12,793,984
	<hr/>
Net Position, End of Year	\$ 13,086,629
	<hr/> <hr/>

See accompanying notes.

Housing Authority of the City of Elkhart
Statement of Cash Flows
Year Ended March 31, 2013

Operating Activities	
Cash received from tenants	\$ 1,053,155
Cash received from HUD PHA grants	6,721,720
Other cash received	344,615
Cash payments for operating expenses	<u>(7,643,967)</u>
Net Cash Provided by Operating Activities	<u>475,523</u>
Investing Activities	
Interest received	9,599
Net cash invested in certificates of deposit	<u>(300,000)</u>
Net Cash Used by Investing Activities	<u>(290,401)</u>
Capital and Related Financing Activities	
Capital grant receipts	819,187
Proceeds from disposal of capital assets	4,600
Net cash used to purchase of capital assets	<u>(993,248)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(169,461)</u>
Non-capital Financing Activities	
Extraordinary maintenance and casualty losses	<u>(51,860)</u>
Cash Used by Non-capital Financing Activities	<u>(51,860)</u>
Net Decrease in Cash and Cash Equivalents	(36,199)
Cash and Cash Equivalents	
Beginning of Year	<u>2,457,751</u>
End of Year	<u>\$ 2,421,552</u>
* Cash reconciliation as reported on the Statement of Net Position	
Cash and cash equivalents	\$ 1,738,980
Cash and cash equivalents - restricted	<u>682,572</u>
	<u>\$ 2,421,552</u>

**Housing Authority of the City of Elkhart
Statement of Cash Flows (Continued)
Year Ended March 31, 2013**

Operating Activities	
Net operating loss	\$ (495,041)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Depreciation expense	737,190
Bad debts	59,813
(Increase) decrease in:	
Accounts receivable - PHA projects	(890)
Accounts receivable - tenants	(60,368)
Accounts receivable - HUD	355,425
Accounts receivable - miscellaneous	(15,091)
Inventory	15,170
Other assets	(152,674)
Increase (decrease) in:	
Accounts payable	44,493
Accounts payable - HUD	6,288
Accounts payable - other government	4,568
Accrued compensated absences	(1,063)
Accrued wages/payroll taxes payable	19,311
Security deposits	5,601
Unearned revenue	7,480
Other current liabilities	(3,093)
Other non current liabilities	(51,596)
Net Cash Provided by Operating Activities	<u>\$ 475,523</u>

Supplemental Disclosure of Noncash Capital and Related

Financing Activities

Purchase of capital assets:	
Cost of property and equipment additions	\$ (999,448)
Trade in allowance on like-kind exchanges	6,200
Net Cash Used to Purchase Capital Assets	<u>\$ (993,248)</u>

See accompanying notes.

Housing Authority of the City of Elkhart
Notes to Financial Statements
March 31, 2013

Note A - Nature of the Organization and Operations

The Housing Authority of the City of Elkhart (the "Authority") was established by the City of Elkhart (the "City") pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development ("HUD") and other applicable Federal Agencies. Under the United States Housing Act of 1937, as amended, HUD had direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into a contract with the Authority for the purpose of assisting in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the program for the purpose of maintaining its low-rent character.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City and concluded that the City does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the Mayor, is responsible for the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the City government. Debt incurred by the Authority is not an obligation of the City; the City of Elkhart does not review or approve the Authority's budget, is not entitled to any surplus funds generated by the Authority's operations and is not responsible for any deficits incurred by the Authority.

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

Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification ("GASB"), management has concluded that the Housing Authority of the City of Elkhart is a separate reporting entity. All funds and programs of the Authority are included in these statements.

The Authority has a blended component unit consisting of two non-profit corporations. The first is known as Housing Finance Corporation. The Housing Finance Corporation was formed to carry out or assist in carrying out low-income housing projects, including assistance by borrowing and lending funds, with an emphasis on low-income housing projects formed or financed in compliance with Section 8 of the United States Housing Act of 1937 and the regulations promulgated thereunder. The second non-profit corporation, Elkhart Community Housing Corporation, was formed to provide affordable, decent, and safe housing to low and moderate income individuals and families within the City and Elkhart County.

Note B - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Housing Authority of the City of Elkhart
Notes to Financial Statements (Continued)
March 31, 2013

Note B - Summary of Significant Accounting Policies (Continued)

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.

2. Programs: 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.

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

- Low Rent Public Housing
- Housing Choice Vouchers
- Housing Counseling Assistance Program
- Capital Fund Program
- Resident Opportunity and Supportive Services
- Elkhart Community Foundation Grant (State and Local)
- Component Units (Housing Finance Corporation and Elkhart Community Housing Corp)

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 and Cash Equivalents: For purposes of the statement of cash flows, the Authority considers all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of three (3) months or less at the time of purchase.
5. Interprogram Receivables and Payables: During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. These receivables and payables have been eliminated in the financial statements.
6. Accounts Receivable: The Authority provides for an allowance for doubtful accounts, which is based on historical experience, coupled with a review of the current status of existing receivables. The Authority periodically writes off uncollectible accounts receivable to the allowance account based on a review of the current status of existing receivables and the determination that certain receivables will not be collected. The allowance for doubtful accounts related to accounts receivable - tenants was \$15,130 at March 31, 2013. Management believes all other receivables as of March 31, 2013 are collectible and no allowance is necessary.

Housing Authority of the City of Elkhart
Notes to Financial Statements (Continued)
March 31, 2013

Note B - Summary of Significant Accounting Policies (Continued)

7. Investments: Investments, consisting of certificates of deposit, are stated at cost which approximates market value.
8. Inventories and Materials: Inventories, consisting of materials and supplies, are stated at the lower of cost (determined by the weighted average method) which approximates market value determined on a first-in, first-out basis. Management has established an allowance for obsolete inventory which totaled \$915 at March 31, 2013, and is deducted against inventory to properly reflect the lower of cost or market value.
9. Capital Assets: The Authority follows the following capitalization policy for capital asset additions:
If the initial cost of a piece of equipment and/or other personal property is five hundred dollars (\$500) or more and the anticipated useful life of the equipment or property is more than one (1) year, the equipment shall be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

Capital assets contain the following:

- The total development construction costs incurred for each project at the end of the initial operating period,
- non-expendable equipment,
- property betterments and additions,
- land acquisitions.

Capital assets are recorded at cost. Depreciation is provided using the straight line method for financial reporting purposes at rates based on the following estimates:

Buildings	10-50 years
Equipment	5-15 years
Transportation equipment	5-15 years
Furniture and fixtures	5-15 years
Leasehold improvements	10-50 years

10. Net Position: Net position is classified into three components as defined below:
- Net investment in capital assets - this component of net position consists of capital assets, net of accumulated depreciation, costs to be recovered from future revenues and unamortized debt expense reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
 - Restricted - this component of net position consists of net position whose use have been constrained through external constraints imposed by creditors, contributors or laws and regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
 - Unrestricted - this component of net position consists of net assets that do not meet the definition of "restricted" or "net investment in capital assets".
11. Income Tax: 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. Management has determined that the application of FIN 48 has no effect on its financial statements.

Housing Authority of the City of Elkhart
Notes to Financial Statements (Continued)
March 31, 2013

Note B - Summary of Significant Accounting Policies (Continued)

12. Annual Contributions/Subsidies and Other Grants: Annual contributions and subsidies received from the HUD are recorded as grant revenues. Other grants (such as Capital Fund Program grants and ROSS grants) are recognized when program expenditures are incurred. Such revenue is subject to review by HUD and may result in disallowance in subsequent periods.
13. Budget: The Authority adopts a budget annually. The budget is submitted to the Board of Commissioners for approval. Subsequent budget revisions may also be required to be submitted for approval.
14. Leasing activities (as lessor): The Authority is the lessor of dwelling units mainly to low income and/or elderly and disabled residents. The rents under the leases are determined generally by the resident's income as adjusted by eligible deductions regulated by HUD, although the resident may elect for a flat rent option. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.
15. Revenue Recognition: Rental income is recognized as rents become due and expenses are recognized as incurred without regard to the date of receipt or payment of cash.
16. 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.

Note C - Cash and Investments

Statutes authorize the Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities.

All cash and investments are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company of the depository financial institutions. The deposits exceeding the insured or registered limits are public funds covered by the State of Indiana Public Deposit Fund.

Custodial Credit Risk:

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

Credit Risk:

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

Concentration of Credit Risk:

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

**Housing Authority of the City of Elkhart
Notes to Financial Statements (Continued)
March 31, 2013**

Note C - Cash and Investments (Continued)

Interest Rate Risk:

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

The carrying value of cash and cash equivalents and certificates of deposit owned at March 31, 2013 was \$2,421,552 and \$1,600,000, respectively. The bank balance of cash and cash equivalents and certificates of deposit owned at March 31, 2013 was \$2,666,572 and \$1,600,000, respectively.

Restricted cash totaled \$682,572 at March 31, 2013, and was comprised of the following:

FSS program tenant escrow accounts	\$ 95,561
Tenant security deposits	91,864
HCV housing assistance payments	490,182
Payment of current liabilities	4,965
	<u>\$ 682,572</u>

A corresponding liability for the tenant escrow accounts has been shown as other noncurrent liabilities on the Statement of Net Position. See Note F for details on the restricted net position which corresponds to the Housing Choice Voucher program housing assistance payment restricted cash.

Note D - Investments

At March 31, 2013, investments consist of 16 certificates of deposit totaling \$1,600,000 with varying interest rates ranging from .40% to 2.00%, and maturing at various dates through November 2015. The certificates of deposit are held with three financial institutions.

Note E - Capital Assets

The following is the detailed transactions of capital assets during the year ended March 31, 2013:

	Balance at 04/01/12	Additions	Disposals	Transfers	Balance at 03/31/13
Land	\$ 1,065,518	\$ -	\$ -	\$ -	\$ 1,065,518
Buildings	16,091,717	-	-	-	16,091,717
Equipment and furniture	1,258,515	30,539	(86,395)	(89,450)	1,113,209
Leasehold improvements	12,389,030	865,401	-	100,166	13,354,597
Construction in progress	10,716	103,508	-	(10,716)	103,508
	<u>\$ 30,815,496</u>	<u>\$ 999,448</u>	<u>\$ (86,395)</u>	<u>\$ -</u>	<u>\$ 31,728,549</u>

Total depreciation expense for the year ended March 31, 2013, was \$737,190.

Housing Authority of the City of Elkhart
Notes to Financial Statements (Continued)
March 31, 2013

Note F - Restricted Net Position

In accordance with guidelines established by HUD, any housing assistance payment (HAP) budget authority provided to a housing authority in excess of actual program expenses for the same period must be maintained as restricted net position to be used only for HAP payments incurred in the running of the Housing Choice Voucher program. Accordingly, the Authority has recorded \$490,182 as restricted net position at March 31, 2013, in the Housing Choice Voucher Program.

Note G - Compensated Absences

Sick Leave:

Employees may be paid for leave taken due to illness. Sick leave is accumulated at the rate of 3.69 hours per pay period. Any employee having more than four hundred eighty (480) hours accumulated sick leave forfeits accumulated pay for any hours over four hundred eighty (480) hours. An employee may take hours in excess of four hundred eighty (480) hours for illness at the discretion of the Executive Director.

Employees who voluntarily terminate employment shall be paid a lump sum for fifty percent (50%) of any accumulated sick leave up to two hundred forty (240) hours for four hundred eighty (480) or more hours accumulated sick leave.

However, if the separation is the result of retirement at or after the age of 62 and the employee has five (5) or more years of continuous service prior to retirement, the employee shall be paid one hundred percent (100%) of the accumulated sick leave up to four hundred eighty (480) hours pay for four hundred eighty (480) or more hours of accumulated sick leave.

Annual Leave:

Annual leave with pay shall be earned by all full time employees at the following rates:

Beginning the first pay date following employment, the employees shall earn 3.08 hours of annual leave time per pay period. The employee shall continue to earn annual leave at this rate through the end of the fifth year of continuous service.

After five (5) full years of continuous employment and beginning on the first pay date of the sixth year of continuous employment, the employee shall earn 4.62 hours of annual leave time per pay period.

After ten (10) years of continuous service and beginning in the first month of the eleventh year of employment, the employee shall earn 6.15 hours of annual leave time per pay period.

After fifteen (15) years of continuous service and beginning in the first month of the sixteenth year of employment, the employee shall earn 7.15 hours per pay period.

Employees may accrue time up to twenty-five (25) working days (200 hours). Hours accrued in excess of 200 shall not be posted and shall not be paid. It will be at the discretion of the Department Director/Executive Director to waive the loss of excess hours accrued over 200 when an employee is not able to take any annual time off at the time the excess hours are accrued.

The accrued compensated absence liability at March 31, 2013, was \$124,785, of which \$41,760 is recognized as current.

**Housing Authority of the City of Elkhart
Notes to Financial Statements (Continued)
March 31, 2013**

Note H - Defined Contribution Plan

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Plan requires the Authority to contribute 12.5% of the employee's base salary each month. The Authority's contribution for each employee is vested after 5 years. The Authority's contributions forfeited by employees who leave employment prior to vesting are used to reduce current costs and contribution requirements. For the fiscal year ended March 31, 2013, actual contributions by the Authority were \$147,622 based on \$1,383,157 of wage and salary expense.

Note I - Contingencies

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

Note J - 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 K - 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, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of such uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements.

**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 Elkhart

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 Elkhart (the "Authority") which comprise the statement of net position as of March 31, 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 December 31, 2013.

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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-01.

**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*.

Authority's Response to Findings

The Authority's response to the finding 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 the financial statements and, accordingly, we express no opinion on it.

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 Housing 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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 M. J. Chilton, CPA, LLC

Jeffersonville, Indiana
December 31, 2013

**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 Elkhart

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Elkhart'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 March 31, 2013. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 Housing 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 Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2013.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to this matter.

The Authority's response to the noncompliance finding 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

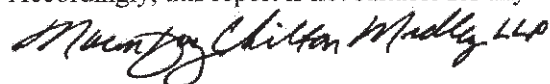
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the 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 Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-02, that we consider to be a significant deficiency.

The Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Housing 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.



Jeffersonville, Indiana
December 31, 2013

**Housing Authority of the City of Elkhart
 Schedule of Findings and Questioned Costs
 For The Year Ended March 31, 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? x yes 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 auditor's report issued on compliance for
 major programs: Unqualified

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.871	Section 8 Housing Choice Vouchers	\$ 4,386,543
14.850	Public and Indian Housing	\$ 1,775,015

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

Auditee qualified as low-risk auditee? yes x no

**Housing Authority of the City of Elkhart
Schedule of Findings and Questioned Costs (Continued)
For The Year Ended March 31, 2013**

Section II - Findings - Financial Statement Audit

Item 2013-01 - Lack of Timely Account Reconciliations and Internal Controls over Financial Statement Preparation - Significant Deficiency

Condition:

Adjusting journal entries were necessary to accounts receivable - HUD and net position as a result of misstatements detected by audit procedures.

Criteria:

The Authority is required to have sufficient internal controls in place to ensure all accounts are consistently reconciled to supporting documentation.

Effect:

Prior to audit adjustments, accounts receivable - HUD and net position were misstated.

Cause:

Sufficient controls were not in place to ensure net position was properly rolled forward from the prior fiscal year end and to ensure that accounts receivable - HUD was properly reconciled to supporting documentation.

Recommendation:

The Authority should improve controls over the account reconciliation and financial statement preparation process, to ensure the financial statements are consistently free from misstatements.

Response:

Due to ongoing difficulties with our current software system the Elkhart Housing Authority has purchased a new software system from Tenmast Software Systems which we anticipate will correct this deficiency in future financial statement preparation.

**Housing Authority of the City of Elkhart
Schedule of Findings and Questioned Costs (Continued)
For The Year Ended March 31, 2013**

Section III - Findings - Major Federal Award Programs Audit

Item 2013-02 - Public Housing Waitlist - Significant Deficiency
Public and Indian Housing Program (CFDA #14.850)

Condition:

We were unable to verify that applicants were properly selected for housing in accordance with the selection policies detailed in the Authority's Admissions and Continued Occupancy Policy ("ACOP"). This was due to the fact that the Authority's policies do not call for waitlists or other documentation to be maintained after applicants are selected for housing from the respective list, and applicants with multiple preferences oftentimes are not added to the waitlist. Several Public Housing Program applicants were not added to the wait list in the proper order based upon the Authority's ACOP.

More specifically, the following deficiencies were noted related to the Authority's public housing waitlist:

- Waitlists were not consistently maintained in order to provide documentation showing that applicants were selected for housing in the proper order.
- Some applicants were immediately selected for housing upon receipt of their application and were never added to the waitlist
- Applicants were awarded preferences based upon the preferences detailed in an outdated version of the Authority's ACOP.
- Three (3) applicants out of twenty-five (25) applicants tested were not awarded preferences which documentation showed they were eligible for.

Criteria:

Documentation must be maintained to prove that all applicants are selected for housing in accordance with the Authority's ACOP. All Public Housing Program applicants must be consistently awarded preferences and added to the wait list based upon the preferences and policies detailed in the Authority's ACOP.

Effect:

Applicants may not have been added to the Authority's wait list and housed in accordance with the Authority's ACOP.

Cause:

Controls were not in place to ensure a proper audit trail was maintained, all applicants were added to the waitlist, and that applicants were awarded preferences based upon the Authority's Admissions and Continued Occupancy Policy.

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 a sufficient audit trail is maintained and all applicants are added to the wait list in accordance with the Authority's ACOP. We recommend that the Director of Asset Management or another supervisory individual review a sample of applicants added to the wait list each month to help ensure that all applicants are being added to the wait list based upon their actual preferences and that those preferences are in accordance with the current ACOP.

**Housing Authority of the City of Elkhart
Schedule of Findings and Questioned Costs (Continued)
For The Year Ended March 31, 2013**

Section III - Findings - Major Federal Award Programs Audit (Continued)

**Item 2013-02 - Public Housing Waitlist - Significant Deficiency (Continued)
Public and Indian Housing Program (CFDA #14.850)**

Response:

The Director of Asset Management will be required to review the Authority's current ACOP and ensure proper controls are maintained and waitlists are consistently maintained as described in our ACOP. The Director of Asset Management will review monthly reports to determine accuracy of the reports and train staff if needed to comply with the preferences in accordance with the current ACOP.

**Housing Authority of the City of Elkhart
Summary Schedule of Prior Audit Findings
For The Year Ended March 31, 2013**

None.

Supplementary Information

**Housing Authority of the City of Elkhart
 Schedule of Expenditures of Federal Awards
 For the Year Ended March 31, 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:		
Housing Counseling Assistance Program	14.169	\$ 9,780
Public and Indian Housing	14.850	1,775,015
Resident Opportunity and Supportive Services	14.870	54,342
Section 8 Housing Choice Vouchers	14.871	4,386,543
Public Housing Capital Fund Program	14.872	<u>953,514</u>
		<u>\$7,179,194</u>

Basis of Presentation

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

Housing Authority of the City of Elkhart
Statement and Certification of Actual Capital Fund Grant Costs
March 31, 2013

Grant: IN36PO2650108:

1) Funds Approved	\$	1,096,235
Funds Expended		<u>1,096,235</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	1,096,235
Funds Expended		<u>1,096,235</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2) The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authority's records.
- 3) All modernization costs have been paid and all related liabilities have been discharged through payment.

Grant: IN36P02650107:

1) Funds Approved	\$	1,007,648
Funds Expended		<u>1,007,648</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	1,007,648
Funds Expended		<u>1,007,648</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2) The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authority's records.
- 3) All modernization costs have been paid and all related liabilities have been discharged through payment.

Independent Accountant's Report on Applying Agreed-Upon Procedure

Board of Commissioners
Housing Authority of the City of Elkhart

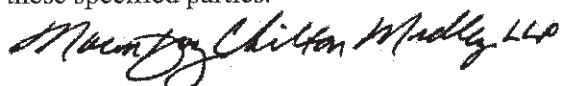
We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Elkhart (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents included within the OMB Circular A-133 reporting package. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures 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 the 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 Housing Authority as of and for the year ended March 31, 2013, and have issued our reports thereon dated December 31, 2013. 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 Financial Data Schedule (FDS) dated December 31, 2013, was expressed in relation to the basic financial statements of the Housing 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 Housing 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 Housing 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
December 31, 2013

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**Attachment to Independent Accountant's Report
on Applying Agreed-Upon Procedure**

				DOES NOT
	UFRS RULE	HARD COPY		
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 Elkhart (IN026)
 ELKHART, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.169 Housing Counseling Assistance Program	6 Component Units	2 State/ Local	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$ 1,471,133	\$ 4,447	\$ 129,140	\$ 73,961	\$ 2,564	\$ 57,735	\$ 1,738,980	\$ -	\$ 1,738,980
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	3,695	582,048	-	-	-	-	585,743	-	585,743
114 Cash - Tenant Security Deposits	87,864	-	-	3,000	-	1,000	91,864	-	91,864
115 Cash - Restricted for Payment of Current Liabilities	4,965	-	-	-	-	-	4,965	-	4,965
100 Total Cash	1,567,657	4,447	711,188	76,961	2,564	58,735	2,421,552	-	2,421,552
121 Accounts Receivable - PHA Projects	-	1,348	-	-	-	1,874	3,222	-	3,222
122 Accounts Receivable - HUD Other Projects	-	7,640	-	-	-	-	7,640	-	7,640
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	23,720	29,796	-	1,145	-	3,000	57,661	-	57,661
126 Accounts Receivable - Tenants	44,964	-	-	-	-	-	44,964	-	44,964
126.1 Allowance for Doubtful Accounts - Tenants	(15,130)	-	-	-	-	-	(15,130)	-	(15,130)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	(59)	(59)	-	(59)
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-
129 Accrued Interest Receivable	1,271	1,405	-	-	-	7,974	10,650	-	10,650
120 Total Receivables, Net of Allowances for Doubtful Accounts	54,825	40,189	-	1,145	-	12,789	108,948	-	108,948
131 Investments - Unrestricted	300,000	200,000	-	-	-	1,100,000	1,600,000	-	1,600,000
132 Investments - Restricted	-	-	-	-	-	-	-	-	-
133 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	5,962	-	-	-	-	203,094	209,056	-	209,056
143 Inventories	15,397	-	-	-	-	40,814	56,211	-	56,211
143.1 Allowance for Obsolete Inventories	(375)	-	-	-	-	(540)	(915)	-	(915)
144 Inter Program Due From	833	14,312	-	-	-	52,150	67,295	(67,295)	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-
150 Total Current Assets	1,944,289	18,759	951,377	78,106	2,564	1,467,042	4,462,147	(67,295)	4,394,852
161 Land	783,644	41,596	-	140,278	-	100,000	1,065,518	-	1,065,518
162 Buildings	14,371,168	-	-	381,732	-	1,338,816	16,091,717	-	16,091,717

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	14,169 Housing Counseling Assistance Program	6 Component Units	2 State/Local	COCC	Subtotal	ELIM	Total
163 Furniture, Equipment & Machinery - Dwellings	164,273	-	31,742	-	-	-	450,716	646,731	-	646,731
164 Furniture, Equipment & Machinery - Administration	93,034	-	35,403	-	-	-	338,041	466,478	-	466,478
165 Leasehold Improvements	12,168,987	-	-	-	-	-	1,185,610	13,354,597	-	13,354,597
166 Accumulated Depreciation	(20,194,989)	-	(75,109)	-	(37,425)	-	(2,149,880)	(22,456,403)	-	(22,456,403)
167 Construction in Progress	103,508	-	-	-	-	-	-	103,508	-	103,508
168 Infrastructure	-	-	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	7,489,626	-	53,632	-	484,585	-	1,284,303	9,272,146	-	9,272,146
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	7,489,626	-	33,632	-	484,585	-	1,284,303	9,272,146	-	9,272,146
190 Total Assets	\$ 9,433,925	\$ 18,759	\$ 985,009	\$ -	\$ 562,691	\$ 2,564	\$ 2,731,345	\$ 13,734,293	\$ (67,295)	\$ 13,666,998
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days	89,052	-	139	-	-	-	10,104	99,295	-	99,295
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	14,899	1,731	13,135	-	-	-	32,703	62,468	-	62,468
322 Accrued Compensated Absences - Current Portion	7,729	536	10,992	-	-	-	22,503	41,760	-	41,760
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	10,395	-	-	-	-	10,395	-	10,395
332 Account Payable - PHA Projects	63,833	-	-	-	-	-	-	63,833	-	63,833
333 Accounts Payable - Other Government	87,864	-	-	-	3,000	-	1,000	91,864	-	91,864
341 Tenant Security Deposits	25,511	-	-	-	-	-	-	25,511	-	25,511
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	-	-	1,692	-	-	-	-	1,692	-	1,692

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	14,168 Housing Counseling Assistance Program	6 Component Units	2 State/ Local	COCC	Subtotal	ELIM	Total
346 Accrued Liabilities - Other	4,965	-	-	-	-	-	4,965	-	4,965
347 Inter Program - Due To	-	40,861	25,457	977	-	-	67,295	(67,295)	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	293,853	77,214	25,457	3,977	-	66,310	469,078	(67,295)	401,783
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	3,695	91,866	-	-	-	-	95,561	-	95,561
354 Accrued Compensated Absences - Non Current	13,221	4,016	-	-	-	64,963	83,025	-	83,025
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	16,916	95,882	-	-	-	64,963	178,586	-	178,586
300 Total Liabilities	310,769	173,096	25,457	3,977	-	131,273	647,664	(67,295)	580,369
508.1 Invested in Capital Assets, Net of Related Debt	7,489,626	33,632	-	484,585	-	1,264,303	9,272,146	-	9,272,146
511.1 Restricted Net Assets	-	490,182	-	-	-	-	490,182	-	490,182
512.1 Unrestricted Net Assets	1,633,530	288,099	(25,457)	74,129	2,564	1,335,769	3,324,301	-	3,324,301
513 Total Equity/Net Assets	9,123,156	811,913	(25,457)	558,714	2,564	2,600,072	13,086,629	-	13,086,629
600 Total Liabilities and Equity/Net Assets	\$ 9,433,925	\$ 985,009	\$ -	\$ 562,691	\$ 2,564	\$ 2,731,345	\$ 13,734,293	\$ (67,295)	\$ 13,666,998

Housing Authority of the City of Elkhart (IN026)
ELKHART, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.169 Housing Counseling Assistance Program	6 Component Units	2 State/Local	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$ 951,774	\$ -	\$ -	\$ -	\$ 15,899	\$ -	\$ -	\$ 967,673	\$ -	\$ 967,673
70400 Tenant Revenue - Other	66,025	-	-	-	-	-	20,011	86,037	-	86,037
70500 Total Tenant Revenue	1,017,800	-	-	-	15,899	-	20,011	1,053,710	-	1,053,710
70600 HUD PHA Operating Grants	1,909,342	54,342	4,386,543	9,780	-	-	-	6,360,007	-	6,360,007
70610 Capital Grants	819,187	-	-	-	-	-	-	819,187	-	819,187
70710 Management Fee	-	-	-	-	-	-	543,505	543,505	(543,505)	-
70720 Asset Management Fee	-	-	-	-	-	-	80,640	80,640	(80,640)	-
70730 Book Keeping Fee	-	-	-	-	-	-	78,803	78,803	(78,803)	-
70740 Front Line Service Fee	-	-	-	-	-	-	814,957	814,957	(814,957)	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	1,517,905	1,517,905	(1,517,905)	-
70800 Other Government Grants	-	-	-	3,250	-	-	-	3,250	-	3,250
71100 Investment Income - Unrestricted	1,271	-	1,753	-	-	-	11,035	14,059	-	14,059
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	23,481	-	46,155	-	-	-	-	69,636	-	69,636
71500 Other Revenue	201,173	-	62,290	-	19,120	-	5,127	287,710	-	287,710
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	6,300	6,300	-	6,300
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-
70000 Total Revenue	3,972,254	54,342	4,496,741	13,030	35,019	-	1,560,378	10,131,784	(1,517,905)	8,613,859
91100 Administrative Salaries	225,055	28,923	232,117	20,687	-	-	486,516	993,298	-	993,298
91200 Auditing Fees	10,200	-	8,514	-	-	-	10,449	29,163	-	29,163
91300 Management Fee	491,603	-	51,282	-	720	-	-	543,505	(543,505)	-
91310 Book-keeping Fee	57,082	-	21,368	-	353	-	-	78,803	(78,803)	-
91400 Advertising and Marketing	2,280	-	2,193	1,965	-	-	1,385	7,823	-	7,823
91500 Employee Benefit contributions - Administrative	85,354	10,622	89,829	4,969	-	-	183,580	374,354	-	374,354
91600 Office Expenses	82,257	-	8,866	4,524	7,510	212	41,641	145,010	-	145,010
91700 Legal Expense	1,340	-	-	-	-	-	2,147	3,487	-	3,487

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.169 Housing Counseling Assistance Program	6 Component Units	2 State/ Local	COCC	Subtotal	ELIM	Total
91800 Travel	7,194	-	6,627	7,306	-	-	25,923	47,050	-	47,050
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	-	-	-	-	-	-	-	-	-	-
91000 Total Operating - Administrative	962,265	39,545	420,796	39,451	8,563	212	791,641	2,222,493	(622,309)	1,600,185
92000 Asset Management Fee	80,160	-	-	-	480	-	-	80,640	(80,640)	-
92100 Tenant Services - Salaries	-	-	-	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-	-
92400 Tenant Services - Other	14,157	-	-	-	-	-	-	14,157	-	14,157
92500 Total Tenant Services	14,157	-	-	-	-	-	-	14,157	-	14,157
93100 Water	29,761	-	-	-	-	-	2,379	32,140	-	32,140
93200 Electricity	141,238	-	-	-	-	-	17,875	159,113	-	159,113
93300 Gas	66,419	-	-	-	-	-	5,613	72,032	-	72,032
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	35,631	-	-	-	-	-	729	36,260	-	36,260
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-	-	-	-
93000 Total Utilities	272,949	-	-	-	-	-	26,596	299,545	-	299,545
94100 Ordinary Maintenance and Operations - Labor	99,650	-	-	-	46	-	289,854	389,550	-	389,550
94200 Ordinary Maintenance and Operations - Materials and Other	186,802	-	1,042	-	20	-	56,276	243,940	-	243,940
94300 Ordinary Maintenance and Operations Contracts	1,098,816	-	6,114	-	3,102	-	79,777	1,187,809	(814,957)	372,852
94500 Employee Benefit Contributions - Ordinary Maintenance	35,933	-	-	-	-	-	112,132	148,065	-	148,065
94000 Total Maintenance	1,421,001	-	7,156	-	3,168	-	538,039	1,969,364	(814,957)	1,154,407
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	80,476	-	-	-	-	-	920	81,396	-	81,396
95300 Protective Services - Other	-	-	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.169 Housing Counseling Assistance Program	6 Component Units	2 State/Local	COCC	Subtotal	ELIM	Total
95000 Total Protective Services	80,476	-	-	-	-	-	920	81,396	-	81,396
96110 Property Insurance	94,581	-	-	-	1,817	-	2,535	98,933	-	98,933
96120 Liability Insurance	26,625	-	2,015	-	1,052	-	200	29,893	-	29,893
96130 Workmen's Compensation	6,423	-	4,422	-	-	-	11,172	22,017	-	22,017
96140 All Other Insurance	10,124	-	1,530	-	-	-	22,869	34,523	-	34,523
96100 Total Insurance Premiums	137,754	-	7,967	-	2,869	-	36,776	185,366	-	185,366
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	-	-	-	-	-	-	-	-	-	-
96300 Payments in Lieu of Taxes	63,833	-	-	-	15	-	-	63,848	-	63,848
96400 Bad debt - Tenant Rents	54,150	-	5,662	-	-	-	-	59,812	-	59,812
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	117,983	-	5,662	-	15	-	-	123,660	-	123,660
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	3,086,745	39,545	441,581	39,451	15,115	212	1,353,972	4,976,621	(1,517,905)	3,458,716
97000 Excess of Operating Revenue over Operating Expenses	885,509	14,797	4,055,160	(26,421)	(19,904)	(212)	206,406	5,155,143	-	5,155,143
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	51,860	-	-	-	-	-	-	51,860	-	51,860
97300 Housing Assistance Payments	2,880	-	3,938,693	-	-	-	-	3,941,573	-	3,941,573
97350 HAP Portability-In	-	-	131,875	-	-	-	-	131,875	-	131,875
97400 Depreciation Expense	601,572	-	3,104	-	16,374	-	116,140	737,190	-	737,190
97500 Fraud Losses	-	-	-	-	-	-	-	-	-	-

Housing Authority of the City of Elkhart (1N026)
ELKHART, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	14,169 Housing Counseling Assistance Program	6 Component Units	2 State/Local	COCC	Subtotal	ELIM	Total
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-
99000 Total Expenses	3,743,057	39,545	4,515,253	39,451	31,489	212	1,470,112	9,839,119	(1,517,905)	8,321,214
10010 Operating Transfer In	128,075	-	1,713	-	-	-	-	129,788	-	129,788
10020 Operating Transfer Out	(128,075)	-	-	(1,713)	-	-	-	(129,788)	-	(129,788)
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	-	-	1,713	(1,713)	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 228,197	\$ 14,797	\$ (16,799)	\$ (28,134)	\$ 3,530	\$ (212)	\$ 90,266	\$ 292,645	\$ -	\$ 292,645
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	-
11030 Beginning Equity	\$ 8,893,959	\$ 870	\$ 828,712	\$ 2,877	\$ 555,184	\$ 2,776	\$ 2,509,806	\$ 12,793,984	\$ -	\$ 12,793,984
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ 321,731	\$ -	\$ -	\$ -	\$ -	\$ 321,731	\$ -	\$ 321,731

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133 Fiscal Year End: 03/31/2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.169 Housing Counseling Assistance Program	6 Component Units	2 State/Local	COCC	Subtotal	ELIM	Total
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ 490,182	\$ -	\$ -	\$ -	\$ -	\$ 490,182	\$ -	\$ 490,182
11190 Unit Months Available	8016	0	8724	0	48	0	0	16788	0	16788
11270 Number of Unit Months Leased	7586	0	8570	0	47	0	0	16203	0	16203
11270 Excess Cash	\$ 1,371,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,371,890	\$ -	\$ 1,371,890
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	-	-	-	-	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	\$ 819,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 819,187	\$ -	\$ 819,187
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-
13310 CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN
 Project Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026009999	OTHER PROJ	Total
111 Cash - Unrestricted	\$ 258,003	\$ 325,433	\$ 179,903	\$ 534,470	\$ 173,324	\$	\$	\$ 1,471,133
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted			3,695					3,695
114 Cash - Tenant Security Deposits	9,493	37,235	10,631	11,940	18,563			87,864
115 Cash - Restricted for Payment of Current Liabilities	607	2,432	1,283		663			4,985
100 Total Cash	268,103	365,100	195,492	546,410	192,552			1,567,657
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects								
124 Accounts Receivable - Other Government								
125 Accounts Receivable - Miscellaneous	4,764	3,910	6,018	403	8,625			23,720
126 Accounts Receivable - Tenants	8,469	10,758	8,832	2,410	14,495			44,964
126.1 Allowance for Doubtful Accounts - Tenants	(2,953)	(1,979)	(2,126)	(910)	(7,162)			(15,130)
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				746	523			1,271
120 Total Receivables, Net of Allowances for Doubtful Accounts	10,280	12,689	12,724	2,651	16,481			54,825
131 Investments - Unrestricted				200,000	100,000			300,000
132 Investments - Restricted								
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets	1,012	564	1,089	1,270	2,027			5,962
143 Inventories	5,020		5,228	5,149				15,397
143.1 Allowance for Obsolete Inventories	(150)		(100)	(125)				(375)
144 Inter Program Due From								833
145 Assets Held for Sale								
150 Total Current Assets	284,265	379,186	214,433	755,355	311,060			1,944,299
161 Land	47,499	386,411	42,165	206,656	100,913			783,644
162 Buildings	2,330,955	2,923,915	1,797,545	4,653,962	2,465,692			14,371,169

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN
 Project Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026009999	OTHER PROJ	Total
163 Furniture, Equipment & Machinery - Dwellings	85,518	20,235	17,173	41,347				164,273
164 Furniture, Equipment & Machinery - Administration	21,343		38,168	33,523				93,034
165 Leasehold Improvements	1,053,457	5,010,993	1,846,735	1,166,733	3,091,069			12,168,987
166 Accumulated Depreciation	(2,788,693)	(6,111,168)	(2,902,399)	(3,771,105)	(4,621,624)			(20,194,989)
167 Construction in Progress		65,088		38,420				103,508
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	750,079	2,295,474	839,387	2,568,636	1,036,050			7,489,626
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	750,079	2,295,474	839,387	2,568,636	1,036,050			7,489,626
190 Total Assets	\$ 1,034,344	\$ 2,674,660	\$ 1,053,820	\$ 3,323,991	\$ 1,347,110	\$ -	\$ -	\$ 9,433,925
311 Bank Overdraft								
312 Accounts Payable <= 90 Days								
313 Accounts Payable >90 Days Past Due	5,305	13,859	7,871	47,786	14,231			89,052
321 Accrued Wage/Payroll Taxes Payable	1,895	3,759	3,718	3,649	1,878			14,899
322 Accrued Compensated Absences - Current Portion	1,398	2,572	758	1,614	1,387			7,729
324 Accrued Contingency Liability								
325 Accrued Interest Payable								
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government	14,363	4,361	20,882	17,744	6,463			63,833
341 Tenant Security Deposits	9,493	37,235	10,631	11,940	18,565			87,864
342 Deferred Revenues	3,546	11,026	3,528	4,478	2,933			25,511
343 Current Portion of Long-term Debt - Capital								
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities								

Housing Authority of the City of Elkhart (IN026)
ELKHART, IN

Project Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026009999	OTHER PROJ	Total
346 Accrued Liabilities - Other	607	2,432	1,263	-	663	-	-	4,965
347 Inter Program - Due To	-	-	-	-	-	-	-	-
348 Loan Liability - Current	36,607	75,264	48,651	87,211	46,120	-	-	293,853
310 Total Current Liabilities								
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	-	-	-	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	3,686	-	-	-	-	3,686
354 Accrued Compensated Absences - Non Current	1,511	3,765	1,407	4,995	1,543	-	-	13,221
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	1,511	3,765	5,102	4,995	1,543	-	-	16,916
300 Total Liabilities	38,118	79,029	53,753	92,206	47,663	-	-	310,769
508.1 Invested in Capital Assets, Net of Related Debt	750,079	2,295,474	839,387	2,568,636	1,036,050	-	-	7,489,626
511.1 Restricted Net Assets	246,147	300,157	160,680	663,149	263,397	-	-	1,633,530
512.1 Unrestricted Net Assets	996,226	2,595,631	1,000,067	3,231,785	1,299,447	-	-	9,123,156
600 Total Liabilities and Equity/Net Assets	\$ 1,034,344	\$ 2,674,660	\$ 1,053,820	\$ 3,323,991	\$ 1,347,110	\$	\$	\$ 9,433,925

Housing Authority of the City of Elkhart (IN026)
ELKHART, IN

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026000999	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	\$ 219,025	\$ 55,412	\$ 268,731	\$ 312,480	\$ 96,126	\$ -	\$ -	\$ 951,774
70400 Tenant Revenue - Other	7,817	26,133	9,191	13,011	10,074	-	-	66,026
70500 Total Tenant Revenue	226,842	81,545	277,922	325,491	106,200	-	-	1,017,800
70600 HUD PHA Operating Grants	213,500	854,341	228,445	196,814	416,242	-	-	1,909,342
70610 Capital Grants	136,950	71,012	301,739	303,869	5,977	-	-	819,187
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	-	-	-	748	523	-	-	1,271
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-
71400 Fraud Recovery	6,050	6,740	1,803	936	7,952	-	-	23,481
71500 Other Revenue	16,078	125,224	27,116	21,793	10,962	-	-	201,173
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-
70000 Total Revenue	598,860	1,138,862	837,025	849,651	547,856	-	-	3,972,254
91100 Administrative Salaries	32,220	74,530	44,778	43,421	30,106	-	-	225,055
91200 Auditing Fees	1,902	2,825	2,230	2,062	1,181	-	-	10,200
91300 Management Fee	74,265	143,304	90,898	110,393	72,643	-	-	491,503
91310 Book-keeping Fee	8,685	16,402	10,590	12,930	8,475	-	-	57,082
91400 Advertising and Marketing	487	519	572	225	477	-	-	2,280
91500 Employee Benefit Contributions - Administrative	13,638	26,624	16,012	16,403	12,676	-	-	85,354
91600 Office Expenses	15,177	31,119	20,679	5,395	9,887	-	-	82,257
91700 Legal Expense	-	990	-	-	350	-	-	1,340

Housing Authority of the City of Elkhart (IN026)
ELKHART, IN

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026000999	OTHER PROJ	Total
91800 Travel	1,227	4,369	211	195	1,192			7,194
91810 Allocated Overhead								
91900 Other								
91000 Total Operating - Administrative	147,602	300,682	185,970	191,024	136,987			962,265
92000 Asset Management Fee								
92100 Tenant Services - Salaries	12,240	23,280	15,240	17,840	11,760			80,160
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services								
92400 Tenant Services - Other	2,382	4,410	2,941	2,130	2,314			14,157
92500 Total Tenant Services	2,382	4,410	2,941	2,130	2,314			14,157
93100 Water	7,140	5,554	6,661	8,228	2,178			29,761
93200 Electricity	46,228	7,243	46,587	38,447	2,738			141,238
93300 Gas	4,630	17,106	16,558	26,050	2,075			66,419
93400 Fuel								
93500 Labor								
93600 Sewer	8,580	6,844	8,273	10,073	1,781			35,531
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	66,553	36,747	78,079	82,798	8,772			272,949
94100 Ordinary Maintenance and Operations - Labor	24,695	10,587	22,916	35,135	6,317			99,650
94200 Ordinary Maintenance and Operations - Materials and	18,799	40,917	25,877	12,214	88,835			186,602
94300 Ordinary Maintenance and Operations Contracts	132,044	382,828	246,254	99,358	238,333			1,098,816
94500 Employee Benefit Contributions - Ordinary Maintenance	4,928	3,507	2,950	22,685	1,863			35,933
94000 Total Maintenance	180,426	437,837	297,997	169,393	335,348			1,421,001
95100 Protective Services - Labor								
95200 Protective Services - Other Contract Costs	10,847	39,239	11,166	10,711	8,513			80,476
95300 Protective Services - Other								
95500 Employee Benefit Contributions - Protective Services								

Housing Authority of the City of Elkhart (IN026)
ELKHART, IN

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026009999	OTHER PROJ	Total
95000 Total Protective Services	10,847	39,239	11,166	10,711	8,513			80,476
96110 Property Insurance	6,994	52,349	5,928	7,561	21,749			94,581
96120 Liability Insurance	3,817	8,396	4,752	5,501	4,160			26,626
96130 Workmen's Compensation	1,311	1,657	1,302	1,377	776			6,423
96140 All Other Insurance	2,554	1,410	2,550	2,394	1,216			10,124
96100 Total Insurance Premiums	14,676	63,812	14,532	16,833	27,901			137,754
96200 Other General Expenses								
96210 Compensated Absences								
96300 Payments in Lieu of Taxes	14,363	4,381	20,882	17,744	6,463			63,833
96400 Bad debt - Tenant Rents	9,905	12,325	18,710	1,958	11,252			54,150
96500 Bad debt - Mortgages								
96600 Bad debt - Other								
96800 Severance Expense								
96000 Total Other General Expenses	24,268	16,706	39,592	19,702	17,715			117,983
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	458,974	922,713	645,517	510,231	549,310			3,086,745
97000 Excess of Operating Revenue over Operating Expenses	139,886	216,149	191,508	339,420	(1,454)			885,509
97100 Extraordinary Maintenance								
97200 Casualty Losses - Non-capitalized	1,076	50,000	784					51,860
97300 Housing Assistance Payments	387		2,047		446			2,880
97350 HAP Portability-In								
97400 Depreciation Expense	82,111	229,507	86,208	122,968	80,760			601,572
97500 Fraud Losses								

Housing Authority of the City of Elkhart (IN026)
ELKHART, IN

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026009999	OTHER PROJ	Total
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	542,548	1,202,220	734,556	633,217	630,516			3,743,057
10010 Operating Transfer In	14,431	53,952	28,296	14,743	16,653			128,075
10020 Operating transfer Out	(14,431)	(53,952)	(28,296)	(14,743)	(16,653)			(128,075)
10030 Operating Transfers from/to Primary Government								
10040 Operating Transfers from/to Component Unit								
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss								
10080 Special Items (Net Gain/Loss)								
10091 Inter Project Excess Cash Transfer In								
10092 Inter Project Excess Cash Transfer Out								
10093 Transfers between Program and Project - In								
10094 Transfers between Project and Program - Out								
10100 Total Other financing Sources (Uses)								
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$ 56,312	\$ (63,358)	\$ 102,469	\$ 216,434	\$ (82,660)	\$	\$	\$ 229,197
11020 Required Annual Debt Principal Payments								
11030 Beginning Equity	\$ 939,914	\$ 2,656,989	\$ 897,598	\$ 3,015,351	\$ 1,362,107	\$	\$	\$ 8,893,959
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								

Housing Authority of the City of Elkhart (IN026)
 ELKHART, IN

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2013

	IN026000001	IN026000002	IN026000003	IN026000007	IN026000004	IN026009999	OTHER PROJ	Total
11180 Housing Assistance Payments Equity								
11190 Unit Months Available	1224	2328	1524	1764	1176	0	0	8016
11210 Number of Unit Months Leased	1146	2186	1400	1724	1130	0	0	7586
11270 Excess Cash	\$ 204,143	\$ 227,653	\$ 102,855	\$ 620,232	\$ 217,007	\$ -	\$ -	\$ 1,371,890
11610 Land Purchases								
11620 Building Purchases								
11630 Furniture & Equipment - Dwelling Purchases								
11640 Furniture & Equipment - Administrative Purchases								
11650 Leasehold Improvements Purchases	\$ 136,590	\$ 71,012	\$ 301,739	\$ 303,869	\$ 5,977	\$ -	\$ -	\$ 819,187
11660 Infrastructure Purchases								
13510 CFFP Debt Service Payments								
13901 Replacement Housing Factor Funds								