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August 30, 2017

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

We have reviewed the audit report prepared by Mountjoy Chilton Medley, LLP, Independent Public Accountant, for the period October 1, 2015 to September 30, 2016. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Jeffersonville, as of September 30, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**Housing Authority of the City of Jeffersonville**

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

**Year Ended September 30, 2016**

## Housing Authority of the City of Jeffersonville

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September 30, 2016

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Jeffersonville (the "Authority") as of and for the year ended September 30, 2016, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

**Kentucky**  
**Indiana**  
**Ohio**

**Mountjoy Chilton Medley LLP**

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## **Independent Auditor's Report (Continued)**

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of September 30, 2016, and its changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9 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 that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the financial data schedule is presented for purposes of additional analysis, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards and the financial data schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Independent Auditor's Report (Continued)**

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017 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  
June 27, 2017

**Housing Authority of the City of Jeffersonville  
Management's Discussion and Analysis (MD&A)  
September 30, 2016**

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

Our discussion and analysis of the Housing Authority of the City of Jeffersonville's (the "Housing Authority"), financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2016. Please read the MD&A in conjunction with the Housing Authority's financial statements.

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

**Financial Highlights**

**Assets**

- Current assets decreased during the year from \$496,028 to \$401,067 and net capital assets decreased from \$7,188,776 to \$6,668,383.
- The Housing Authority's total assets reflect a decrease during the year. Total assets decreased from \$7,684,804 to \$7,069,450, a decrease of \$615,354.

**Liabilities**

- Current liabilities decreased from \$228,674 to \$138,719 and non-current liabilities decreased from \$48,338 to \$47,667.
- The Housing Authority's total liabilities decreased from \$277,012 at year end in 2015 to \$186,386 at year end in 2016.

**Revenue**

- The Authority received Operating Subsidy and Capital Grants of \$3,430,001 for the year ended September 30, 2016 as compared to \$3,358,492 in the prior year.

**Expenses**

- Total expenses decreased \$65,967 in 2016 from \$5,023,460 to \$4,957,493. This decrease was a result of decreases in utilities, routine maintenance and operation costs and housing assistance payments for the Section 8 Housing Choice Voucher Program, which were slightly offset by increases in administrative expenses, protective services and other general expenses.

**Housing Authority of the City of Jeffersonville  
Management's Discussion and Analysis (MD&A) (Continued)  
September 30, 2016**

**Overview of the Housing Authority's Financial Statements**

This annual report includes this Management Discussion and Analysis report, and the Financial Statements, which includes the Notes to Financial Statements. This annual report also contains the Schedule of Expenditures of Federal Awards and the Financial Data Schedule (FDS) as referenced in the sections titled Supplementary Information and Other Reports.

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

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

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

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

The section titled Other Reports contains the FDS. HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2016.

**Financial Analysis**

The Housing Authority accounts for its housing activities in three (3) programs. The Housing Authority has a Public and Indian Housing program that provides housing for qualified tenants, a Capital Fund program that the Housing Authority uses for improvements to its low rent property, and a Section 8 Housing Choice Voucher program that provides rental assistance to qualified participants.

The following summarizes these programs:

Public and Indian Housing - Under the Public and Indian Housing Program, the Authority rents 369 units that it owns to low-income households. This program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy funding to enable the Housing Authority to provide the housing at a rent that is based upon 30 percent of household income. For the fiscal year ended September 30, 2016, the Housing Authority received approximately \$3.25 million in Operating Subsidy funds, of which approximately \$1.16 million has been recognized in the Public and Indian Housing Program.

Capital Fund Program - This is the primary funding source for physical and management improvements to the Authority's properties. For the fiscal year ended September 30, 2016, the Housing Authority received \$445,933 in Capital Funds, of which \$179,836 was used for property additions or improvements.

**Housing Authority of the City of Jeffersonville  
Management's Discussion and Analysis (MD&A) (Continued)  
September 30, 2016**

**Financial Analysis (Continued)**

Section 8 Housing Choice Voucher Program - Under the Section 8 Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own properties. The Housing Authority subsidizes the families' rent through a Housing Assistance Payment ("HAP") made to the landlord. The program is administered under an Annual Contribution Contract ("ACC") with HUD. HUD provides ACC funding to enable the Housing Authority to structure a lease that sets the participants' rents at 30 percent of household income. The Housing Authority earns administrative fees to cover the cost of administering the program. For the fiscal year ended September 30, 2016, the Housing Authority received approximately \$1.82 million in total HAP and administrative funding. As of September 30, 2016, the Housing Authority has 410 vouchers to administer.

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

**Statement of Net Position  
September 30, 2016**

	<u>2016</u>	<u>2015</u>	<b>Increase (Decrease)</b>
<b>Assets</b>			
Current assets	\$ 401,067	\$ 496,028	\$ (94,961)
Capital assets, net of depreciation	<u>6,668,383</u>	<u>7,188,776</u>	<u>(520,393)</u>
<b>Total Assets</b>	7,069,450	7,684,804	(615,354)
<b>Liabilities</b>			
Current liabilities	138,719	228,674	(89,955)
Non-current liabilities	<u>47,667</u>	<u>48,338</u>	<u>(671)</u>
<b>Total Liabilities</b>	186,386	277,012	(90,626)
<b>Net Position</b>			
Net investment in capital assets	6,668,383	7,188,776	(520,393)
Unrestricted net position	172,977	200,325	(27,348)
Restricted net position	<u>41,704</u>	<u>18,691</u>	<u>23,013</u>
<b>Total Net Position</b>	<u>\$ 6,883,064</u>	<u>\$ 7,407,792</u>	<u>\$ (524,728)</u>

- A current asset is an asset on the statement of net position which is expected to be sold or otherwise used up in the near future, usually within one year, or one business cycle - whichever is longer. Typical current assets include cash, cash equivalents, accounts receivable, inventory, the portion of prepaid accounts which will be used within a year, and short-term investments. The decrease in current assets during the year ended September 30, 2016 is primarily due to a decrease in cash due to the timing of current HAP expenses as well as a decrease in accounts receivable from both HUD and tenants.
- A capital asset is an asset that is recorded on the statement of net position as capital - that is, property that creates more property and which produces a benefit that extends beyond the current tax year. The decrease in capital assets during the year ended September 30, 2016 is due to the net effects of fixed asset additions of \$179,836 and charges for current-year depreciation expense of \$700,229.

**Housing Authority of the City of Jeffersonville  
Management's Discussion and Analysis (MD&A) (Continued)  
September 30, 2016**

**Financial Analysis (Continued)**

- Liabilities consist of obligations the Housing Authority owes and are classified as current (usually due within one year) and non-current. Current liabilities decreased during the year ended September 30, 2016 by \$89,955. Non-current liabilities decreased by \$671.
- Total net position decreased by \$524,728 during the fiscal year ended September 30, 2016. This decrease is the residual effect of the net increases and decreases in revenues and expenditures during the current fiscal year which has been explained elsewhere in the MD&A.

**Changes in Net Position  
For the Year Ended September 30, 2016**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Revenue			
Total tenant revenues	\$ 870,035	\$ 906,704	\$ (36,669)
Operating subsidies	3,250,165	3,057,145	193,020
Capital grants	179,836	301,347	(121,511)
Investment income	161	298	(137)
Other revenues	<u>132,568</u>	<u>127,417</u>	<u>5,151</u>
Total Revenue	<u>4,432,765</u>	<u>4,392,911</u>	<u>39,854</u>
Expense			
Administrative	765,416	719,386	46,030
Tenant services	11,994	8,571	3,423
Utilities	775,588	816,822	(41,234)
Ordinary maintenance and operations	664,654	835,361	(170,707)
Protective services	35,736	16,082	19,654
Insurance premiums	107,145	111,564	(4,419)
Other general expenses	222,606	44,292	178,314
Housing assistance payments	1,670,169	1,708,379	(38,210)
Depreciation expense	700,229	719,259	(19,030)
Extraordinary maintenance	<u>3,956</u>	<u>43,744</u>	<u>(39,788)</u>
Total Expense	<u>4,957,493</u>	<u>5,023,460</u>	<u>(65,967)</u>
Decrease in Net Position	<u>\$ (524,728)</u>	<u>\$ (630,549)</u>	<u>\$ 105,821</u>

**Housing Authority of the City of Jeffersonville  
Management's Discussion and Analysis (MD&A) (Continued)  
September 30, 2016**

**Financial Analysis (Continued)**

**Revenues and Expenses**

- The overall increase in revenue is a direct result of increased Public & Indian Housing operating subsidies and HCV program subsidies.
- Tenant revenues decreased \$36,669, mostly due to changing monthly rent charges for various tenants.
- Routine maintenance decreased by \$170,707 due to decreases in material purchases and contract costs.
- Other general expenses increased by \$178,314 primarily due to an increase in Public Housing Capital Fund expenses which were not eligible for capitalization, as well as an increase in bad debt expense related to tenant rents.

**Capital Assets**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Land	\$ 365,272	\$ 365,272	\$ -
Buildings	22,398,691	22,311,634	87,057
Furniture, equipment and machinery -dwelling	593,970	502,646	91,324
Furniture, equipment and machinery -administration	504,990	504,990	-
Leasehold Improvements	<u>472,481</u>	<u>471,026</u>	<u>1,455</u>
Subtotal	24,335,404	24,155,568	179,836
Accumulated depreciation	<u>(17,667,021)</u>	<u>(16,966,792)</u>	<u>(700,229)</u>
Net Capital Assets	<u>\$ 6,668,383</u>	<u>\$ 7,188,776</u>	<u>\$ (520,393)</u>

- At September 30, 2016, the Housing Authority had \$6,668,383 invested in net capital assets. This amount represents a net decrease of \$520,393.
- The Housing Authority owns equipment such as stoves, refrigerators, furniture and other appliances placed inside the dwellings. These items are included in furniture, equipment and machinery.

**List of Major Improvements**

During fiscal year 2016 the Housing Authority was in the process of completing many repairs to buildings, units and exteriors through the Capital Fund Program and also purchased a new security camera system for the Public Housing properties. The Housing Authority had three open capital fund grants during the fiscal year to aid in the completion of modernization and repairs of the dwellings and the purchase of the new security system. For the year ended September 30, 2016, the Housing Authority received \$179,836 in funding used for capital projects at its various developments.

**Housing Authority of the City of Jeffersonville  
Management's Discussion and Analysis (MD&A) (Continued)  
September 30, 2016**

**Debt**

At September 30, 2016 the Housing Authority had non-current liabilities of \$47,667. This amount primarily reflects the accrued liability of the Housing Authority's compensated absences. The Housing Authority does not have any short or long term debt in the form of bonds or notes.

**Economic Factors**

The Housing Authority is primarily dependent upon the Department of Housing and Urban Development (HUD) for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. Local economic conditions (labor and wage rates, unemployment factors, inflation, utility rates, etc.) do have various effects in the operations of the Housing Authority and how we are charged by suppliers, vendors and how we charge our clients. The funding of programs could be significantly affected by HUD funding appropriation levels as approved by Congress in the federal budget. The Housing Authority continually monitors all areas of their programs and will continue to do so in order to isolate cost savings and improve operating efficiencies.

**Future Outlook**

The Housing Authority may experience reduced HUD funding due to notification received from HUD regarding a substandard Public Housing Assessment Score ("PHAS"). To increase their score, the Housing Authority plans to take units off-line for refurbishing and monitor collections and continue to analyze the respective allowance for doubtful accounts. The Housing Authority also plans to submit applications for new grant funds as well.

**Contacting the Housing Authority's Financial Management**

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

**Housing Authority of the City of Jeffersonville**  
**Statement of Net Position**  
**September 30, 2016**

**Assets**

Current Assets

Cash - unrestricted	\$ 212,378
Cash - restricted	41,704
Cash - tenant security deposits	46,119
Accounts receivable - HUD other projects	76
Accounts receivable - miscellaneous	14,541
Accounts receivable - tenants, net	45,302
Prepaid expenses	22,573
Inventories	18,374

Total Current Assets 401,067

Capital Assets

Land	365,272
Buildings	22,398,691
Furniture, equipment and machinery - dwellings	593,970
Furniture, equipment and machinery - administration	504,990
Leasehold improvements	472,481

24,335,404

Less accumulated depreciation (17,667,021)

Capital Assets, Net 6,668,383

Total Assets 7,069,450

**Deferred Outflows of Resources**

-

Total Assets and Deferred Outflows of Resources \$ 7,069,450

**Liabilities and Net Position**

Current Liabilities

Bank overdraft	\$ 32,544
Accounts payable	14,091
Accrued wages and payroll taxes	25,622
Tenant security deposits	46,119
Other current liabilities	20,343

Total Current Liabilities 138,719

Noncurrent Liabilities

Accrued compensated absences	46,473
Other noncurrent liabilities	1,194

Total Noncurrent Liabilities 47,667

Total Liabilities 186,386

**Deferred Inflows of Resources**

-

Total Liabilities and Deferred Inflows of Resources 186,386

**Net Position**

Net investment in capital assets	6,668,383
Unrestricted net position	172,977
Restricted net position	41,704

Total Net Position \$ 6,883,064

See accompanying notes.

**Housing Authority of the City of Jeffersonville**  
**Statement of Revenue, Expenses and Changes in Net Position**  
**Year Ended September 30, 2016**

Operating Revenue	
Tenant revenue, net	\$ 870,035
HUD PHA operating grants	3,250,165
Fraud recovery	17,220
Other revenue	<u>115,348</u>
Total Operating Revenue	4,252,768
Operating Expenses	
Administrative	765,416
Tenant services	11,994
Utilities	775,588
Ordinary maintenance and operations	664,654
Protective services	35,736
Insurance premiums	107,145
Other general expenses	222,606
Housing assistance payments	1,670,169
Depreciation expense	<u>700,229</u>
Total Operating Expenses	<u>4,953,537</u>
Net Operating Loss	(700,769)
Nonoperating Revenue (Expense)	
Interest income	161
Extraordinary maintenance	<u>(3,956)</u>
Total Nonoperating Expense	<u>(3,795)</u>
Net Loss Before Capital Fund Grants	(704,564)
Capital Fund Grants	<u>179,836</u>
Change in Net Position	(524,728)
Net Position, Beginning of Year	<u>7,407,792</u>
Net Position, End of Year	<u>\$ 6,883,064</u>

See accompanying notes.

**Housing Authority of the City of Jeffersonville**  
**Statement of Cash Flows**  
**Year Ended September 30, 2016**

Operating Activities	
Cash received from tenants	\$ 901,129
Cash received from HUD operating grants	3,250,749
Other cash received	100,807
Housing assistance payments	(1,670,169)
Payments to employees and suppliers	<u>(2,610,720)</u>
Net Cash Used by Operating Activities	(28,204)
Investing Activities	
Interest income earned	<u>161</u>
Net Cash Provided by Investing Activities	161
Capital and Related Financing Activities	
Capital grant receipts	179,836
Purchase of capital assets	<u>(179,836)</u>
Net Cash Used by Capital and Related Financing Activities	-
Non-capital Financing Activities	
Bank overdraft	32,544
Extraordinary maintenance	<u>(3,956)</u>
Net Cash Provided by Non-capital Financing Activities	28,588
Net Increase in Cash	545
Operating Cash	
Beginning of Year	<u>299,656</u>
End of Year	<u>\$ 300,201</u> *

\* Cash reconciliation as reported on the Statement of Net Position:

Cash - unrestricted	\$ 212,378
Cash - restricted	41,704
Cash - tenant security deposits	<u>46,119</u>
	<u>\$ 300,201</u>

See accompanying notes.

**Housing Authority of the City of Jeffersonville**  
**Statement of Cash Flows (Continued)**  
**Year Ended September 30, 2016**

Operating Activities	
Net operating loss	\$ (700,769)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation expense	700,229
(Increase) decrease in:	
Accounts receivable - HUD other projects	94,149
Accounts receivable - miscellaneous	(14,541)
Accounts receivable - tenants, net	17,786
Prepaid expenses	4,372
Inventories	(6,260)
Increase (decrease) in:	
Accounts payable	(1,163)
Accounts payable - PHA projects	(2,096)
Accrued wages and payroll taxes	(3,025)
Tenant security deposits	(3,912)
Unearned revenue	(93,565)
Other current liabilities	(18,396)
Accrued compensated absences	(1,013)
	<hr/>
Net Cash Used by Operating Activities	<u><u>\$ (28,204)</u></u>

See accompanying notes

**Housing Authority of the City of Jeffersonville**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note A - Nature of Organization**

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

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

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

The Section 8 Housing Choice Voucher ("HCV") Program provides rental supplements to the owners of existing private housing who rent to qualifying individuals. The Authority processes all applicants for the HCV Program, places approved applicants in housing and pays the owner of the private housing a monthly rental supplement. Under the conditions of an annual contributions contract, HUD reimburses the Authority for the rental supplements and the administrative cost of managing the Program.

**Note B - Summary of Significant Accounting Policies**

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

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

1. Basis of Accounting: The financial statements of the Authority have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.
2. Basis of Presentation: All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes. This financial statement presentation provides an indication of the financial performance of the Authority as a whole. Enterprise designations are used to account for activities (a) which are financed with debt that is solely secured by pledge of the net revenues from fees and charges of the activity; (b) which are governed by laws or regulations that require that the activity's costs of providing services be recovered with fees and charges, rather than taxes or similar revenues; or (c) that the pricing policies of the activity establish fees and charges designated to recover its costs.

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

**Housing Authority of the City of Jeffersonville**  
**Notes to Financial Statements (Continued)**  
**September 30, 2016**

**Note B - Summary of Significant Accounting Policies (Continued)**

3. Use of Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
4. Cash Equivalents: The Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents.
5. Allowance for Doubtful Accounts: The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. The allowance for doubtful accounts was \$58,000 for accounts receivable - tenants at September 30, 2016. Management believes all other accounts receivable as of September 30, 2016 are collectible and no allowance is necessary.
6. Inventories: Inventories, consisting of materials and supplies, are stated at the lower of cost or market, reported on a first-in, first-out basis.
7. Capital Assets: Capital assets are stated at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

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

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

8. Revenue and Expenses: Revenue from rentals is recorded as earned over the life of the lease, and expenses are charged against such revenue as incurred without regard to the date of receipt or payment of cash.

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

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

9. Use of Restricted and Unrestricted Resources: When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Housing Authority of the City of Jeffersonville**  
**Notes to Financial Statements (Continued)**  
**September 30, 2016**

**Note B - Summary of Significant Accounting Policies (Continued)**

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

**Note C - Cash Deposits**

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

- A. Custodial Credit Risk: Custodial credit risk for deposits and investments is the risk that, in the event of failure by a financial institution, the Authority may not be able to recover the value of its deposits and investments or collateral securities that are in the possession of the financial institution. Statutes authorize the Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities. All cash and investments as of September 30, 2016, were insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company or depository financial institutions. The deposits exceeding the insured or registered limits are collateralized with securities held by the Authority's financial institution.
- B. Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

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

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

The carrying value of the Authority's cash deposits was \$300,201 at September 30, 2016. The bank balances before reconciling items was \$365,970 at September 30, 2016.

**Housing Authority of the City of Jeffersonville**  
**Notes to Financial Statements (Continued)**  
**September 30, 2016**

**Note D - Capital Assets**

The following is the detail of capital asset transactions during the year ended September 30, 2016:

	Balance 9/30/15	Additions	Disposals	Transfers	Balance 9/30/16
Land	\$ 365,272	\$ -	\$ -	\$ -	\$ 365,272
Buildings	22,311,634	87,057	-	-	22,398,691
Furniture, equipment and machinery-dwellings	502,646	91,324	-	-	593,970
Furniture, equipment and machinery-administration	504,990	-	-	-	504,990
Leasehold Improvements	471,026	1,455	-	-	472,481
	24,155,568	179,836	-	-	24,335,404
Less Accumulated Depreciation	(16,966,792)	(700,229)	-	-	(17,667,021)
	<u>\$ 7,188,776</u>	<u>\$ (520,393)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,668,383</u>

Total depreciation expense for the year ended September 30, 2016 was \$700,229.

**Note E - Restricted Net Position**

In accordance with guidelines established by HUD, any HAP budget authority provided to a housing authority in excess of actual program expenses for the same period must be maintained as restricted net position to be used only for HAP payments incurred in the running of the HCV program. Accordingly, the Authority has recorded \$41,704 as restricted net position and restricted cash at September 30, 2016 in the HCV Program.

**Note F - Compensated Absences**

Regular full and part-time employees receive sick leave and vacation leave each year based upon length of employment. Both sick leave and vacation leave can be carried forward to successive years, but only vacation leave is eligible to be paid to the employee upon termination, as all sick leave is forfeited at that point. Also, only a maximum of 240 hours of vacation leave is eligible to be paid upon termination. Accordingly, at September 30, 2016, a liability of \$46,473, all of which is considered noncurrent, has been recorded for accrued compensated absences related to accrued vacation hours at that date, which will be required to be paid to employees upon usage or termination.

**Housing Authority of the City of Jeffersonville**  
**Notes to Financial Statements (Continued)**  
**September 30, 2016**

**Note G - Noncurrent Liabilities**

The activities of noncurrent liabilities are as follows:

	Balance 9/30/2015	Additions	Adjustments/ Payments	Balance 9/30/2016	Current Portion
Compensated absences	\$ 47,486	\$ -	\$ (1,013)	\$ 46,473	\$ -
Other noncurrent liabilities	1,194	-	-	1,194	-
	<u>\$ 48,680</u>	<u>\$ -</u>	<u>\$ (1,013)</u>	<u>\$ 47,667</u>	<u>\$ -</u>

**Note H - Retirement Plan**

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

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

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

For the year ended September 30, 2016, total contributions by the Authority to all Plans were \$66,915 based upon \$572,591 of base wage expense to eligible employees.

**Note I - Leasing Activities (As Lessor)**

The Authority leased roof space on one of its buildings to a wireless communications provider under a noncancelable operating lease with an original term of five years, which expired during the year ending September 30, 2016. Rental receipts relating to this agreement totaled \$5,688 for the year ended September 30, 2016.

The Authority also leases a building to the Boys and Girls Club of Kentuckiana ("Boys and Girls Club") under an operating lease expiring during the year ending September 30, 2017. The building is leased at a discounted rate of \$1 per year. At September 30, 2016, the capitalized value of the building leased to the Boys and Girls Club was \$1,344,740 and the related accumulated depreciation was \$533,023. For the year ended September 30, 2016, depreciation expense on this building was \$38,842.

**Housing Authority of the City of Jeffersonville**  
**Notes to Financial Statements (Continued)**  
**September 30, 2016**

**Note J - Income Taxes**

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

**Note K - Major Funding Source**

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

**Note L - Risk Management**

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

**Note M - Contingencies**

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

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

**Note N - Subsequent Event**

Subsequent to year end, the Authority received notification from HUD with an original published date of December 4, 2015 that HUD may initiate actions to develop and implement an Action Plan as it relates to the Authority's decreasing Public Housing Assessment Score ("PHAS") resulting in a substandard rating. Since receiving this notification, HUD issued a letter dated March 16, 2017 notifying the Authority that it has been placed on Zero Threshold due to instability of the management of the Authority and their belief that Federal funds are in jeopardy. All functions of the Authority became under HUD review effective March 16, 2017. The Authority also received a letter dated June 9, 2017 from the HUD Indianapolis Field Office regarding a Public and Indian Housing (PIH) Compliance Monitoring Review they conducted on March 29-30, 2017 noting findings and observations. The Authority's Board of Commissions is reviewing and will be developing a corrective action plan to address the deficiencies noted in these letters.

## **Supplementary Information**

**Housing Authority of the City of Jeffersonville  
Schedule of Expenditures of Federal Awards and Notes  
Year Ended September 30, 2016**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Passed-through to Sub-Recipients</b>	<b>Federal Expenditures</b>
U.S. Department of Housing and Urban Development:			
Public and Indian Housing Program	14.850	\$ -	\$ 1,160,896
Public Housing Capital Fund Program	14.872	-	445,933
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871	-	1,823,172
Total Expenditures of Federal Awards		\$ -	\$ 3,430,001

**Note A - Basis of Presentation**

The accompanying 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note B - Indirect Cost Rate**

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

**Note C - Procurement Policy**

The Authority has elected to delay adopting the procurement requirements specified in the Uniform Guidance.

## **Other Reports**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Jeffersonville (the "Authority"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 27, 2017.

**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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2016.001 to be a material weakness.

**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)**

**Internal Control Over Financial Reporting (Continued)**

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2016.002 to be a significant deficiency.

**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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2016.001 and 2016.002.

**Housing Authority of the City of Jeffersonville's Response to Findings**

The Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jeffersonville, Indiana  
June 27, 2017



**Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of the City of Jeffersonville's (the "Authority") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the year ended September 30, 2016. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)**

***Basis for Qualified Opinion on CFDA 14.850 Public and Indian Housing Program***

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding CFDA 14.850 Public and Indian Housing Program as described in finding number 2016.001. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

***Qualified Opinion on CFDA 14.850 Public and Indian Housing Program***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CFDA 14.850 Public and Indian Housing Program for the year ended September 30, 2016.

***Other Matters***

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

**Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016.003 to be a material weakness.

**Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)**

**Report on Internal Control over Compliance (Continued)**

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

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

Jeffersonville, Indiana  
June 27, 2017

**Housing Authority of the City of Jeffersonville  
 Schedule of Findings and Questioned Costs  
 Year Ended September 30, 2016**

**Section I - Summary of Independent Auditor's Results**

**Financial Statements**

Type of Auditor's Report Issued: Unmodified

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

Noncompliance Material to Financial Statements Noted?   x   yes    no

**Federal Awards**

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

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

Any audit findings disclosed that are required to be reported  
 in accordance with 2 CFR 200.516(a)?   x   yes    no

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.850	Public and Indian Housing Program	\$ 1,160,896

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?   x   yes    no

**Housing Authority of the City of Jeffersonville  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2016**

**Section II - Financial Statements Findings**

**Finding No.: 2016.001 HUD Compliance Review - Material Weakness**

Criteria: In accordance with 2 CFR Part 200.303, Federal award recipients are required to establish and maintain effective internal control over the Federal award(s) that provides reasonable assurance that the Federal award(s) is being managed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, including taking prompt action when instances of noncompliance, such as those communicated by HUD, are identified.

Condition: The Authority's standard operating procedures are frequently at variance with its outdated board-approved policies including its employee handbook, procurement, disposition, and most other policies. Various HUD regulations, including implementation of policies such as a procurement policy within HUD guidelines and 2 CFR Part 200.318 (Uniform Guidance) have not been established and/or approved by the Authority's Board of Commissioners in a timely manner, which has resulted in those policies not conforming to the guidelines established by HUD and the Uniform Guidance.

Cause and Effect: A material weakness in internal control over financial reporting exists due to an ineffective control environment at the highest level of the Authority, the Board of Commissioners, which resulted in the policies and procedures used to run the day-to-day operations of the Authority being out of compliance with HUD regulations and ultimately resulting in the Authority being placed on Zero Threshold by HUD, wherein all functions of the Authority are now under HUD review effective March 16, 2017.

Recommendations: The Authority should put a corrective action plan in place that encompasses establishing or monitoring the control environment at the appropriate levels, including the Authority's Board of Commissioners governance role in following HUD guidelines and establishing and approving policies for management to follow.

PHA Reply (Corrective Action Plan): The Authority's Board of Commissioners will obtain information and institute a properly functioning control environment, including obtaining necessary training for Board members and board approval of policies within HUD guidelines.

Contact Person: John L. Elliott, CPA, CFO at the Housing Authority of the City of Jeffersonville (812) 283-3553

Target Completion Date: September 30, 2017

**Housing Authority of the City of Jeffersonville  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2016**

**Section II - Financial Statements Findings (Continued)**

**Finding No.: 2016.002 Travel Review Policy - Significant Deficiency**

Criteria: According to the Accounting and Uniform Compliance Guidelines Manual for Special Districts as issued by the State of Indiana, a written travel policy should be adopted in conformity with applicable State statutes. Additionally, all travel reimbursements should be reviewed timely and approved prior to reimbursement for all employees in accordance with IC 5-11-10-2.

Condition: Unapproved travel reimbursements were identified during the year, and detection and remediation steps by the Board of Commissioners were not made timely. Additionally, reimbursement was made via the payroll account rather than the normal disbursement process.

Cause and Effect: A significant deficiency in internal controls over financial reporting exists as no written travel policy has been approved and adopted by the Authority. As a result, an employee was overpaid.

Recommendations: The Authority should develop and adopt a written travel policy that would require reimbursements be reviewed and approved more timely, at all levels. Furthermore, we would suggest employee reimbursements be made through the normal reimbursement process rather than through the payroll account.

PHA Reply (Corrective Action Plan): The Authority has obtained repayment from the employee. Additionally, the Board of Commissioners of the Authority will develop a travel policy for implementation.

Contact Person: John L. Elliott, CPA, CFO at the Housing Authority of the City of Jeffersonville (812) 283-3553

Target Completion Date: September 30, 2017

**Housing Authority of the City of Jeffersonville  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2016**

**Section III - Major Federal Awards Programs Audit Findings**

**Public and Indian Housing Program (CFDA No. 14.850)**

**Finding No.: 2016.003 HUD Compliance Review - Material Weakness**

**Compliance Requirement: Special Tests and Provisions**

Criteria: In accordance with 2 CFR Part 200.303, Federal award recipients are required to establish and maintain effective internal control over Federal awards which provides reasonable assurance that the Federal awards are being managed in compliance with Federal statutes, regulations, and the terms and conditions of the individual Federal award, including taking prompt action when instances of noncompliance, such as those communicated by HUD, are identified.

Condition: The Authority's Procurement Policy and its Admissions and Continued Occupancy Policy (ACOP) did not conform to the prescribed guidelines required by HUD and current General Depository Agreements were not properly executed with each banking institution where Federal funds were maintained.

Cause and Effect: A material weakness in internal control over compliance exists due to an ineffective control environment at the highest level of the Authority, the Board of Commissioners. This resulted in the Authority's procurement policy and the policies and procedures used by the Authority to administer its Public and Indian Housing Program to tenants to be outdated, improperly documented and not in compliance with HUD regulations. Additionally, the ineffective control environment prevented current General Depository Agreements from being executed with each financial institution.

Recommendations: The Authority should put a corrective action plan in place that encompasses establishing or monitoring the control environment at the appropriate levels, including the Authority's Board of Commissioners governance role in following HUD guidelines and establishing and approving policies for management to follow.

PHA Reply (Corrective Action Plan): The Authority's Board of Commissioners will obtain information and institute a properly functioning control environment, including obtaining necessary training for Board members, and will review all policies and procedures of the Authority to ensure policies are documented in accordance with HUD guidelines, properly implemented, and timely approved.

Contact Person: John L. Elliott, CPA, CFO at the Housing Authority of the City of Jeffersonville (812) 283-3553

Target Completion Date: September 30, 2017

**Housing Authority of the City of Jeffersonville  
Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2016**

**Section II - Major Federal Award Programs Audit**

**FINDING 2015-01 - Public Housing File Testing - Significant Deficiency**

**Public and Indian Housing Program (CFDA #14.850)**

Condition: Sixty Public and Indian Housing participant files were tested. Four (4) files did not contain proof that community service hours had been performed by the participants.

Criteria: HUD regulations require nonexempt tenants to complete 8 hours of community service each month. The Authority is required to monitor the tenant's compliance with this requirement and perform follow-up procedures when the tenant is not in compliance.

Recommendation: We recommend the Authority designate an employee to perform a comprehensive review of a sample of files periodically to ensure all compliance requirements have been met.

Status: This finding has been cleared for the year ended September 30, 2016.

# Jeffersonville Housing Authority

206 Eastern Boulevard • Jeffersonville, Indiana 47130-2802

Phone (812) 283-3553 • Fax (812) 282-1214

www.jeffhousing.com

## Corrective Action Plan Year Ended September 30, 2016

The Housing Authority of the City of Jeffersonville submits the following corrective action plan for the year ended December 31, 2016.

Name and address of independent public accounting firm:

Mountjoy Chilton Medley LLP  
702 North Shore Drive  
Jeffersonville, IN 47130

Audit Period: Year Ended September 30, 2016

The Schedule of findings and questioned costs for the year ended September 30, 2016 are discussed below. The findings are numbered consistently with the number assigned in the Schedule.

### Financial Statement Findings

#### Finding No.: 2016.001 Control Environment - Material Weakness

Recommendations: The Authority should put a corrective action plan in place that encompasses establishing or monitoring the control environment at the appropriate levels, including the Authority's Board of Commissioners governance role in following HUD guidelines and establishing and approving policies for management to follow.

PHA Reply (Corrective Action Plan): The Authority's Board of Commissioners will obtain information and institute a properly functioning control environment, including obtaining necessary training for Board members and Board approval of policies within HUD guidelines.

Target Completion Date: September 30, 2017

#### Finding No.: 2016.002 Travel Review Policy - Significant Deficiency

Recommendations: The Authority should develop and adopt a written travel policy that would require reimbursements be reviewed and approved more timely, at all levels. Furthermore, we would suggest employee reimbursements be made through the normal reimbursement process rather than through the payroll account.

PHA Reply (Corrective Action Plan): The Authority has obtained repayment from the employee. Additionally, the Board of Commissioners of the Authority will develop a travel policy for implementation.

Target Completion Date: September 30, 2017

# Jeffersonville Housing Authority

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## Corrective Action Plan (Continued)

Year Ended September 30, 2016

### Major Federal Awards Programs Audit Findings

**Finding No.: 2016.003 HUD Compliance Review - Material Weakness**

#### **Public and Indian Housing Program (CFDA No. 14.850)**

Recommendations: The Authority should put a corrective action plan in place that encompasses establishing or monitoring the control environment at the appropriate levels, including the Authority's Board of Commissioners governance role in following HUD guidelines and establishing and approving policies for management to follow.

PHA Reply (Corrective Action Plan): The Authority's Board of Commissioners will obtain information and institute a properly functioning control environment, including obtaining necessary training for Board members, and will review all policies and procedures of the Authority to ensure policies are documented in accordance with HUD guidelines, properly implemented, and timely approved.

Target Completion Date: September 30, 2017



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

Board of Commissioners

### **Housing Authority of the City of Jeffersonville**

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

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

We were engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), for the Authority as of and for the year ended September 30, 2016, and have issued our reports thereon dated June 27, 2017. The information in the "Hard Copy Document(s)" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated June 27, 2017, was expressed in relation to the basic financial statements of the Authority taken as a whole.

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

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

Jeffersonville, Indiana  
June 27, 2017

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

	<b>UFRS Rule</b>	<b>Hard Copy</b>		<b>Does</b>
<b>Procedure</b>	<b>Information</b>	<b>Document(S)</b>	<b>Agrees</b>	<b>Not</b>
				<b>Agree</b>
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)	Uniform Guidance 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 Uniform Guidance 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 Uniform Guidance Data Collection Form	X	
8	Type of Compliance Requirement (G4200-020 & G4000-030)	Uniform Guidance Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	174,900	37,478	-	212,378		212,378
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		41,704		41,704		41,704
114 Cash - Tenant Security Deposits	46,119			46,119		46,119
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	221,019	79,182	-	300,201	-	300,201
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects		76		76		76
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous			14,541	14,541		14,541
126 Accounts Receivable - Tenants	103,302			103,302		103,302
126.1 Allowance for Doubtful Accounts -Tenants	(58,000)			(58,000)		(58,000)
126.2 Allowance for Doubtful Accounts - Other		-	-	-		-
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	45,302	76	14,541	59,919	-	59,919
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	17,056	2,565	2,952	22,573		22,573
143 Inventories	18,374			18,374		18,374
143.1 Allowance for Obsolete Inventories	-			-		-
144 Inter Program Due From			26,852	26,852	(26,852)	-
145 Assets Held for Sale						

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

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
150 Total Current Assets	301,751	81,823	44,345	427,919	(26,852)	401,067
161 Land	365,272			365,272		365,272
162 Buildings	22,398,691			22,398,691		22,398,691
163 Furniture, Equipment & Machinery - Dwellings	593,970			593,970		593,970
164 Furniture, Equipment & Machinery - Administration			504,990	504,990		504,990
165 Leasehold Improvements	472,481			472,481		472,481
166 Accumulated Depreciation	(17,178,043)		(488,978)	(17,667,021)		(17,667,021)
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	6,652,371	-	16,012	6,668,383	-	6,668,383
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	6,652,371	-	16,012	6,668,383	-	6,668,383
200 Deferred Outflow of Resources						
290 Total Assets and Deferred Outflow of Resources	6,954,122	81,823	60,357	7,096,302	(26,852)	7,069,450
311 Bank Overdraft			32,544	32,544		32,544
312 Accounts Payable <= 90 Days	10,979		3,112	14,091		14,091
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	8,916	2,362	14,344	25,622		25,622
322 Accrued Compensated Absences - Current Portion						

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

Entity Wide Balance Sheet Summary (Continued)

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						
341 Tenant Security Deposits	46,119			46,119		46,119
342 Unearned Revenue						
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities	16,899			16,899		16,899
346 Accrued Liabilities - Other			3,444	3,444		3,444
347 Inter Program - Due To		26,852		26,852	(26,852)	-
348 Loan Liability - Current						
310 Total Current Liabilities	82,913	29,214	53,444	165,571	(26,852)	138,719
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		1,194		1,194		1,194
354 Accrued Compensated Absences - Non Current	21,853	11,192	13,428	46,473		46,473
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	21,853	12,386	13,428	47,667	-	47,667
300 Total Liabilities	104,766	41,600	66,872	213,238	(26,852)	186,386
400 Deferred Inflow of Resources	-	-	-	-	-	-

Housing Authority of the City of Jeffersonville (IN023)  
 JEFFERSONVILLE, IN

**Entity Wide Balance Sheet Summary (Continued)**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
508.4 Net Investment in Capital Assets	6,652,371		16,012	6,668,383		6,668,383
511.4 Restricted Net Position		41,704		41,704		41,704
512.4 Unrestricted Net Position	196,985	(1,481)	(22,527)	172,977		172,977
513 Total Equity - Net Assets / Position	6,849,356	40,223	(6,515)	6,883,064	-	6,883,064
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	6,954,122	81,823	60,357	7,096,302	(26,852)	7,069,450

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	821,904			821,904		821,904
70400 Tenant Revenue - Other	48,131			48,131		48,131
70500 Total Tenant Revenue	870,035	-	-	870,035	-	870,035
70600 HUD PHA Operating Grants	1,426,993	1,823,172		3,250,165		3,250,165
70610 Capital Grants	179,836			179,836		179,836
70710 Management Fee			271,896	271,896	(271,896)	-
70720 Asset Management Fee						
70730 Book Keeping Fee			38,005	38,005	(38,005)	-
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue			309,901	309,901	(309,901)	-
70800 Other Government Grants						
71100 Investment Income - Unrestricted		62	63	125		125
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery		17,220		17,220		17,220
71500 Other Revenue	9,659	84,898	20,791	115,348		115,348
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted		36		36		36
70000 Total Revenue	2,486,523	1,925,388	330,755	4,742,666	(309,901)	4,432,765
91100 Administrative Salaries	138,681	135,829	175,677	450,187		450,187
91200 Auditing Fees	14,000		2,080	16,080		16,080
91300 Management Fee	255,858	16,038		271,896	(271,896)	-

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

Entity Wide Revenue and Expense Summary (Continued)

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
91310 Book-keeping Fee	27,451	10,554		38,005	(38,005)	-
91400 Advertising and Marketing			2,055	2,055		2,055
91500 Employee Benefit contributions - Administrative	59,694	54,719	67,726	182,139		182,139
91600 Office Expenses	17,806	13,298	66,858	97,962		97,962
91700 Legal Expense	6,246		2,430	8,676		8,676
91800 Travel	2,894	2,543	2,470	7,907		7,907
91810 Allocated Overhead						
91900 Other		410		410		410
91000 Total Operating - Administrative	522,630	233,391	319,296	1,075,317	(309,901)	765,416
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	11,994			11,994		11,994
92500 Total Tenant Services	11,994	-	-	11,994	-	11,994
93100 Water	103,682		462	104,144		104,144
93200 Electricity	264,209		8,826	273,035		273,035
93300 Gas	135,689		1,092	136,781		136,781
93400 Fuel						
93500 Labor						
93600 Sewer	260,546		1,082	261,628		261,628
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	764,126	-	11,462	775,588	-	775,588

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

Entity Wide Revenue and Expense Summary (Continued)

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	306,040			306,040		306,040
94200 Ordinary Maintenance and Operations - Materials and Other	117,391		214	117,605		117,605
94300 Ordinary Maintenance and Operations Contracts	71,584		6,202	77,786		77,786
94500 Employee Benefit Contributions - Ordinary Maintenance	163,223			163,223		163,223
94000 Total Maintenance	658,238	-	6,416	664,654	-	664,654
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs	34,836		900	35,736		35,736
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	34,836	-	900	35,736	-	35,736
96110 Property Insurance	41,335		7,057	48,392		48,392
96120 Liability Insurance		7,035		7,035		7,035
96130 Workmen's Compensation	7,483	1,333	2,481	11,297		11,297
96140 All Other Insurance	32,108	4,227	4,086	40,421		40,421
96100 Total insurance Premiums	80,926	12,595	13,624	107,145	-	107,145
96200 Other General Expenses	98,942			98,942		98,942
96210 Compensated Absences	(4,301)		4,038	(263)		(263)
96300 Payments in Lieu of Taxes	12,098			12,098		12,098
96400 Bad debt - Tenant Rents	111,829			111,829		111,829
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	218,568	-	4,038	222,606	-	222,606

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

Entity Wide Revenue and Expense Summary (Continued)

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	-
96900 Total Operating Expenses	2,291,318	245,986	355,736	2,893,040	(309,901)	2,583,139
97000 Excess of Operating Revenue over Operating Expenses	195,205	1,679,402	(24,981)	1,849,626	-	1,849,626
97100 Extraordinary Maintenance	3,456		500	3,956		3,956
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		1,597,789		1,597,789		1,597,789
97350 HAP Portability-In		72,380		72,380		72,380
97400 Depreciation Expense	693,563		6,666	700,229		700,229
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	2,988,337	1,916,155	362,902	5,267,394	(309,901)	4,957,493
10010 Operating Transfer In						
10020 Operating transfer Out						
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						

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

Entity Wide Revenue and Expense Summary (Continued)

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In	8,000			8,000		8,000
10092 Inter Project Excess Cash Transfer Out	(8,000)			(8,000)		(8,000)
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 Expenses	(501,814)	9,233	(32,147)	(524,728)	-	(524,728)
11020 Required Annual Debt Principal Payments	-	-	-	-		-
11030 Beginning Equity	7,351,170	30,990	25,632	7,407,792		7,407,792
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		(1,481)		(1,481)		(1,481)
11180 Housing Assistance Payments Equity		41,704		41,704		41,704
11190 Unit Months Available	4,428	4,920		9,348		9,348
11210 Number of Unit Months Leased	3,660	4,153		7,813		7,813
11270 Excess Cash	(7,534)			(7,534)		(7,534)
11610 Land Purchases	46,938		-	46,938		46,938
11620 Building Purchases	85,707		-	85,707		85,707
11630 Furniture & Equipment - Dwelling Purchases	45,736		-	45,736		45,736

Housing Authority of the City of Jeffersonville (IN023)  
 JEFFERSONVILLE, IN

**Entity Wide Revenue and Expense Summary (Continued)**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
11640 Furniture & Equipment - Administrative Purchases	-		-	-		-
11650 Leasehold Improvements Purchases	1,455		-	1,455		1,455
11660 Infrastructure Purchases	-		-	-		-
13510 CFFP Debt Service Payments	-		-	-		-
13901 Replacement Housing Factor Funds	-		-	-		-

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

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	IN023100000	IN023200000	OTHER PROJ	Total
111 Cash - Unrestricted	56,528	118,372		174,900
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	15,199	30,920		46,119
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	71,727	149,292	-	221,019
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	49,915	53,387		103,302
126.1 Allowance for Doubtful Accounts - Tenants	(25,000)	(33,000)		(58,000)
126.2 Allowance for Doubtful Accounts - Other				
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	24,915	20,387	-	45,302
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	6,670	10,386		17,056
143 Inventories	9,187	9,187		18,374
143.1 Allowance for Obsolete Inventories	-	-		-
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	112,499	189,252	-	301,751
161 Land	124,192	241,080		365,272
162 Buildings	7,779,317	14,619,374		22,398,691
163 Furniture, Equipment & Machinery - Dwellings	261,641	332,329		593,970
164 Furniture, Equipment & Machinery - Administration				
165 Leasehold Improvements	59,164	413,317		472,481
166 Accumulated Depreciation	(5,710,737)	(11,467,306)		(17,178,043)
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	2,513,577	4,138,794	-	6,652,371
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				

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

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	IN023100000	IN023200000	OTHER PROJ	Total
180 Total Non-Current Assets	2,513,577	4,138,794	-	6,652,371
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	2,626,076	4,328,046	-	6,954,122
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	1,837	9,142		10,979
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	3,330	5,586		8,916
322 Accrued Compensated Absences - Current Portion				
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits	15,199	30,920		46,119
342 Unearned Revenue				
343 Current Portion of Long-term Debt - Capital				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities	2,139	14,760		16,899
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	22,505	60,408	-	82,913
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	9,866	11,987		21,853
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	9,866	11,987	-	21,853
300 Total Liabilities	32,371	72,395	-	104,766
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	2,513,577	4,138,794		6,652,371
511.4 Restricted Net Position				
512.4 Unrestricted Net Position	80,128	116,857	-	196,985
513 Total Equity - Net Assets / Position	2,593,705	4,255,651	-	6,849,356
600 Total Liabilities, Deferred Inflows of Resources and Equity -	2,626,076	4,328,046	-	6,954,122

Housing Authority of the City of Jeffersonville (IN023)  
JEFFERSONVILLE, IN

**Project Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	IN023100000	IN023200000	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	277,021	544,883		821,904
70400 Tenant Revenue - Other	23,596	24,535		48,131
70500 Total Tenant Revenue	300,617	569,418	-	870,035
70600 HUD PHA Operating Grants	610,142	816,851		1,426,993
70610 Capital Grants	85,856	93,980		179,836
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				
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	913	8,746		9,659
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	997,528	1,488,995	-	2,486,523
91100 Administrative Salaries	47,152	91,529		138,681
91200 Auditing Fees	5,000	9,000		14,000
91300 Management Fee	119,800	136,058		255,858
91310 Book-keeping Fee	9,428	18,023		27,451
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	20,285	39,409		59,694
91600 Office Expenses	6,176	11,630		17,806
91700 Legal Expense	2,848	3,398		6,246
91800 Travel	1,297	1,597		2,894
91810 Allocated Overhead				
91900 Other				
91000 Total Operating - Administrative	211,986	310,644	-	522,630
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	3,536	8,458		11,994
92500 Total Tenant Services	3,536	8,458	-	11,994

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

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	IN023100000	IN023200000	OTHER PROJ	Total
93100 Water	34,102	69,580		103,682
93200 Electricity	132,897	131,312		264,209
93300 Gas	59,431	76,258		135,689
93400 Fuel				
93500 Labor				
93600 Sewer	88,786	171,760		260,546
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	315,216	448,910	-	764,126
94100 Ordinary Maintenance and Operations - Labor	120,938	185,102		306,040
94200 Ordinary Maintenance and Operations - Materials and	45,004	72,387		117,391
94300 Ordinary Maintenance and Operations Contracts	23,757	47,827		71,584
94500 Employee Benefit Contributions - Ordinary Maintenance	66,715	96,508		163,223
94000 Total Maintenance	256,414	401,824	-	658,238
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs	3,759	31,077		34,836
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	3,759	31,077	-	34,836
96110 Property Insurance	15,287	26,048		41,335
96120 Liability Insurance				
96130 Workmen's Compensation	2,781	4,702		7,483
96140 All Other Insurance	11,541	20,567		32,108
96100 Total insurance Premiums	29,609	51,317	-	80,926
96200 Other General Expenses	33,907	65,035		98,942
96210 Compensated Absences	(2,736)	(1,565)		(4,301)
96300 Payments in Lieu of Taxes		12,098		12,098
96400 Bad debt - Tenant Rents	43,768	68,061		111,829
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	74,939	143,629	-	218,568
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	895,459	1,395,859	-	2,291,318

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

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	IN023100000	IN023200000	OTHER PROJ	Total
97000 Excess of Operating Revenue over Operating Expenses	102,069	93,136	-	195,205
97100 Extraordinary Maintenance	725	2,731		3,456
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	215,456	478,107		693,563
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	1,111,640	1,876,697	-	2,988,337
10010 Operating Transfer In				
10020 Operating transfer Out				
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		8,000		8,000
10092 Inter Project Excess Cash Transfer Out	(8,000)			(8,000)
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	(8,000)	8,000	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(122,112)	(379,702)	-	(501,814)
11020 Required Annual Debt Principal Payments	-	-	-	-
11030 Beginning Equity	2,715,817	4,635,353	-	7,351,170
11040 Prior Period Adjustments, Equity Transfers and Correction				
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	1,512	2,916	-	4,428
11210 Number of Unit Months Leased	1,257	2,403	-	3,660
11270 Excess Cash	(484)	(7,050)	-	(7,534)

Housing Authority of the City of Jeffersonville (IN023)  
 JEFFERSONVILLE, IN

**Project Revenue and Expense Summary (Continued)**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	IN023100000	IN023200000	OTHER PROJ	Total
11610 Land Purchases	-	46,938	-	46,938
11620 Building Purchases	40,120	45,587	-	85,707
11630 Furniture & Equipment - Dwelling Purchases	45,736	-	-	45,736
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-
11650 Leasehold Improvements Purchases	-	1,455	-	1,455
11660 Infrastructure Purchases	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-