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July 18, 2014

Board of Directors
Terre Haute Housing Authority
P.O. Box 3086
One Dreiser Square
Terre Haute, IN 47803

We have reviewed the audit report prepared by Fallon & Larsen, LLP, Independent Public Accountants, for the period October 1, 2011 to September 30, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Terre Haute Housing Authority, as of September 30, 2012 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

TERRE HAUTE HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEARS ENDED SEPTEMBER 30, 2012 AND 2011

TERRE HAUTE HOUSING AUTHORITY
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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Terre Haute Housing Authority:

We have audited the accompanying financial statements of the Terre Haute Housing Authority (the "Authority") as of and for the years ended September 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Terre Haute Housing Authority as of September 30, 2012, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2013 on our consideration of the Terre Haute Housing Authority's internal control over financial reporting and our tests on 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and important for assessing the results of our audits.

INDEPENDENT AUDITOR'S REPORT (continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis contained on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 historic context. We have applied certain limited procedures to the required supplemental 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Terre Haute Housing Authority taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. The accompanying financial data schedule and schedule of capital fund program costs and advances are also not required parts of the financial statements and are presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development. The schedule of federal awards, financial data schedule and schedule of capital fund program costs and advances 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

February 7, 2013
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terre Haute Housing Authority
Management's Discussion and Analysis (MD&A)
September 30, 2012

The management of the Terre Haute Housing Authority (PHA) offers this narrative overview and analysis of its audited financial statements for the fiscal year ended September 30, 2012. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Financial reporting is based on the accounting principles for government enterprise funds, which are similar to the accounting principles as established by the Governmental Accounting Standards Board (GASB). Since these are business-type activities the standards of the Financial Accounting Standards Board (FASB) must also be followed except where there is conflict with GASB.

FINANCIAL HIGHLIGHTS:

- The assets of the PHA exceed its liabilities as of September 30, 2012 by \$24,556,540 (Net Assets).
- The PHA's investment in Capital Assets, net of related debt, as of September 30, 2012 was \$19,525,117.
- The PHA's total operating revenue for the fiscal year end September 30, 2012 was \$10,779,136.
- The PHA's total operating expenses for the fiscal year end September 30, 2012 was \$10,878,899.

OVERVIEW OF THE FINANCIAL STATEMENTS:

The following financial statements are included in this report:

- The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of Statements of Net Assets, Statements of Revenues, Expenses and Changes in Net Assets and Statements of Cash Flows.

Terre Haute Housing Authority
Management's Discussion and Analysis (MD&A)
September 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (continued):

- The Statements of Net Assets present information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The Statements of Revenues, Expenses and Changes in Net Assets present information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).
- The Statements of Cash Flows presents relevant information about the Authority's cash receipts and cash payments during the year.
- The basic financial statements report is on the Authority's activities. The activities are primarily supported by HUD subsidies and grants. The Authority's function is to provide decent, safe and sanitary housing to low income and special needs populations. The basic financial statements can be found on pages 9 through 12 in this Report.
- 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 Notes to Financial Statements can be found in this Report after the basic financial statements.
- The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The Schedule of Expenditures of Federal Awards can be found on page 31 of this report.

Terre Haute Housing Authority
Management's Discussion and Analysis (MD&A)
September 30, 2012

ANALYSIS OF FINANCIAL STATEMENTS:

Statements of Net Assets: September 30, 2012 and 2011:

	2012	2011	Dollar Change
Current assets	\$ 5,052,002	\$ 5,773,963	\$ (721,961)
Restricted assets	543,647	611,692	(68,045)
Capital assets (net)	<u>20,399,715</u>	<u>18,548,241</u>	<u>1,851,474</u>
Total Assets	<u>\$ 25,995,364</u>	<u>\$ 24,933,896</u>	<u>\$ 1,061,468</u>
Current liabilities	\$ 481,326	\$ 859,223	\$ (377,897)
Non-current liabilities	<u>957,498</u>	<u>1,053,377</u>	<u>(95,879)</u>
Total Liabilities	<u>\$ 1,438,824</u>	<u>\$ 1,912,600</u>	<u>\$ (473,776)</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 19,525,117	\$ 17,658,658	\$ 1,866,459
Restricted for HAP	435,508	427,733	7,775
Unrestricted	<u>4,595,915</u>	<u>4,934,875</u>	<u>(338,960)</u>
Total Net Assets	<u>\$ 24,556,540</u>	<u>\$ 23,021,296</u>	<u>\$ 1,535,244</u>

- Current assets decreased by \$721,961. This is due to the extensive use of surplus cash for necessary and urgent renovation of several of the projects, including buying and installing new equipment such as furnaces, AC units etc. Additionally, there was also a decrease in accounts receivable balance due to better collection efforts.
- Increase in the fixed assets of 1,851,474, as the Authority spent \$2,840,121 in capital assets which was offset by \$985,358 in depreciation expense and \$3,289 in net dispositions. Of the \$2,840,121 spent on capital assets, \$1,962,830 came from capital fund grants.
- Current liabilities have decreased by \$377,897 as a combination of several factors. There is a decrease of \$240,870 in the deferred revenue category. This was caused by the Authority receiving the FY 2012 subsidy in 2011. This transaction did not occur for FY 2013. Also accounts payable decreased by \$159,760 from FY 2011 to FY 2012.
- The Authority had \$435,508 of net assets classified as restricted that are subject to external restrictions on how they may be used.

Terre Haute Housing Authority
Management's Discussion and Analysis (MD&A)
September 30, 2012

ANALYSIS OF FINANCIAL STATEMENTS (continued):

- Unrestricted net assets of the Authority were \$4,595,915 as of September 30, 2012.
- Net assets may serve, over time, as a useful indicator of a governmental entity's financial position. As stated in the table on the previous page, assets exceeded liabilities by \$24,556,540 at the close of the year ended September 30, 2012, up from \$23,021,296 in 2011.

Statements of Revenues, Expenses, and Changes in Net Assets: September 30, 2012 and 2011:

	2012	2011	Dollar Change
Revenues:			
Tenant revenue	\$ 2,254,881	\$ 2,140,929	\$ 113,952
HUD operating grants	7,802,860	7,867,004	(64,144)
Other governmental grants	47,286	101,933	(54,647)
Other income	674,109	482,648	191,461
Capital grants and contributions	1,962,830	8,411,322	(6,448,492)
Investment income	5	28	(23)
Gain (loss) on sale of fixed assets	531	200	331
Total Revenues	<u>12,742,502</u>	<u>19,004,064</u>	<u>(6,261,562)</u>
Expenses:			
Administrative expenses	1,893,840	1,810,944	82,896
Tenant services	252,631	215,776	36,855
Utilities	1,158,445	1,007,199	151,246
Operations and maintenance	1,948,140	1,830,748	117,392
Protective services	199,737	109,271	90,466
Insurance	334,766	224,006	110,760
Other supplies and general expenses	447,984	564,515	(116,531)
Housing assistance payments	3,656,259	3,732,978	(76,719)
Depreciation	985,358	795,253	190,105
Casualty losses	289,077	56,463	232,614
Fraud losses	1,739	-	1,739
Interest expense	39,282	37,650	1,632
Total Expenses	<u>11,207,258</u>	<u>10,384,803</u>	<u>822,455</u>
Change in Net Assets	1,535,244	8,619,261	(7,084,017)
Net assets, beginning of year	<u>23,021,296</u>	<u>14,402,035</u>	<u>8,619,261</u>
Net assets, end of year	<u>\$ 24,556,540</u>	<u>\$23,021,296</u>	<u>\$ 1,535,244</u>

Terre Haute Housing Authority
Management's Discussion and Analysis (MD&A)
September 30, 2012

ANALYSIS OF FINANCIAL STATEMENTS (continued):

For the calendar year 2012, as for calendar year 2011, the administrative fee reimbursement rate was based on the number of units leased as of the last day of each month, extended by the per unit rate established by HUD and by the HUD pro-ration to equate expenditures to the total appropriated funds.

- Total revenues for 2012 decreased by \$6,261,562 when compared to 2011. This is primarily due to the contribution of assets from the Deming Center and Garfield Gardens acquisition in 2011.
- The decrease in HUD operating grants of \$64,144 was due to a reduction in operating subsidy of \$457,901 which was offset partly by operating grant increases from other programs.
- There is an overall increase in all the expense categories.
- The utility payments increased by approximately 15% due to increase in the sewer and water rates. The higher utility expenses are partially offset by a reduction in the payments in lieu of taxes.
- Protective services increased by approximately 83 % as a result of adding security to additional sites in order to provide better protection for our tenants.
- The casualty losses category increased significantly due to a loss at Garfield Towers which caused remodeling of the entire sixth floor. The expense was offset by the insurance proceeds.

CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY DURING THE YEAR:

	2012	2011	Dollar Change
Land	\$ 744,977	\$ 744,977	\$ -
Buildings and improvements	39,611,513	38,780,917	830,596
Furniture, equipment & machinery	581,673	552,918	28,755
Accumulated depreciation	(22,790,190)	(21,819,483)	(970,707)
Construction in progress	2,251,742	288,912	1,962,830
	<u>\$ 20,399,715</u>	<u>\$ 18,548,241</u>	<u>\$1,851,474</u>

Terre Haute Housing Authority
Management's Discussion and Analysis (MD&A)
September 30, 2012

CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY DURING THE YEAR (continued):

- Capital Assets – The Terre Haute Housing Authority's capital assets, as of September 30, 2012, totaled \$20,399,715 (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment and construction in progress.
- The total increase in the Authority's net capital assets for the current fiscal year was \$1,851,474 in terms of net book value. Capital assets purchased totaled \$2,840,121 which was offset by \$985,358 in depreciation expense and \$3,289 in net dispositions. Major capital assets purchased had to do with emergency renovations in numerous projects.
- The increase in the Construction in Progress category is due to the fact that the entire 2010 Capital Fund was utilized in FY 2012 for the renovation of Garfield Towers totaling \$1,346,362 and a large portion of 2009 Capital Fund was spent on Lockport remodeling and rehabilitation.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT:

This financial report is designed to provide a general overview of the PHA's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Executive Director:

Mr. Jeff Stewart
2001 N. 19th Street
Terre Haute, IN, 47804

FINANCIAL STATEMENTS

TERRE HAUTE HOUSING AUTHORITY
STATEMENTS OF NET ASSETS
AS OF SEPTEMBER 30, 2012 AND 2011

		ASSETS	
		<u>2012</u>	<u>2011</u>
Current assets:			
Cash and cash equivalents	\$	4,598,843	\$ 5,282,336
Accounts receivable, net		147,620	201,732
Prepaid expenses and other current assets		237,691	214,803
Inventories		<u>67,848</u>	<u>75,092</u>
Total current assets		<u>5,052,002</u>	<u>5,773,963</u>
Non-current assets:			
Restricted cash		543,647	611,692
Capital assets, net		<u>20,399,715</u>	<u>18,548,241</u>
Total non-current assets		<u>20,943,362</u>	<u>19,159,933</u>
Total assets		<u>25,995,364</u>	<u>24,933,896</u>
		LIABILITIES	
Current liabilities:			
Accounts payable		82,989	242,749
Accrued expenses		35,904	18,934
Accrued compensated absences, current		75,511	72,903
Tenant security deposits		218,784	223,287
Deferred revenues		10,570	251,144
Current portion of bonds and notes payable		48,924	44,554
Other current liabilities		<u>8,644</u>	<u>5,652</u>
Total current liabilities		<u>481,326</u>	<u>859,223</u>
Non-current liabilities:			
Accrued compensated absences, net of current portion		23,686	24,419
Bonds, loans, and notes payable, net of current portion		825,674	844,999
Non-current liabilities - other		<u>108,138</u>	<u>183,959</u>
Total non-current liabilities		<u>957,498</u>	<u>1,053,377</u>
Total liabilities		<u>1,438,824</u>	<u>1,912,600</u>
		NET ASSETS	
Net assets:			
Invested in capital assets, net		19,525,117	17,658,688
Restricted net assets		435,508	427,733
Unrestricted		<u>4,595,915</u>	<u>4,934,875</u>
Total net assets	\$	<u>24,556,540</u>	<u>23,021,296</u>

See accompanying notes to financial statements.

TERRE HAUTE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Tenant revenue	\$ 2,254,881	\$ 2,140,929
HUD operating grants	7,802,860	7,867,004
Other government grants	47,286	101,933
Other revenues	<u>674,109</u>	<u>482,648</u>
Total operating revenue	<u>10,779,136</u>	<u>10,592,514</u>
Operating expenses:		
Administrative	1,893,840	1,810,944
Tenant services	252,631	215,776
Utilities	1,158,445	1,007,199
Ordinary maintenance and operations	1,948,140	1,830,748
Protective services	199,737	109,271
Insurance expense	334,766	224,006
General expenses	334,104	424,100
Bad debt expense	113,880	140,415
Fraud losses	1,739	-
Housing assistance payments	3,656,259	3,732,978
Depreciation	<u>985,358</u>	<u>795,253</u>
Total operating expenses	<u>10,878,899</u>	<u>10,290,690</u>
Operating income (loss)	<u>(99,763)</u>	<u>301,824</u>
Non-operating revenues (expenses):		
Investment income	5	28
Interest expense	(39,282)	(37,650)
Casualty losses, non-capitalized	(289,077)	(56,463)
Gain (loss) on sale of fixed assets	<u>531</u>	<u>200</u>
Net non-operating revenue (expense)	<u>(327,823)</u>	<u>(93,885)</u>
Income (Loss) before capital grants and capital contributions	(427,586)	207,939
Capital grants	1,962,830	1,001,038
Capital contributions	<u>-</u>	<u>7,410,284</u>
Change in net assets	1,535,244	8,619,261
Net assets, beginning of year	<u>23,021,296</u>	<u>14,402,035</u>
Net assets, end of year	<u>\$ 24,556,540</u>	<u>\$ 23,021,296</u>

See accompanying notes to financial statements.

TERRE HAUTE HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Cash received from tenants and managed properties	\$ 2,788,650	\$ 2,732,216
Cash received from grantors	7,702,647	8,110,543
Cash paid to employees	(1,835,127)	(1,542,192)
Cash paid for suppliers	<u>(8,190,928)</u>	<u>(8,029,069)</u>
Net cash flows provided by operating activities	<u>465,242</u>	<u>1,271,498</u>
Cash Flows from Capital and Financing Activities:		
Purchases of capital assets	(2,840,121)	(1,075,185)
Principal payments on debt	(43,595)	(69,670)
Capital grants	1,962,830	1,001,038
Casualty losses	(289,077)	(56,463)
Interest paid on debt	(39,282)	(37,650)
Proceeds on acquisition of debt	28,640	207,461
Proceeds on sale of capital assets	3,820	200
Proceeds from acquisition	<u>-</u>	<u>1,419,420</u>
Net cash flows provided (used) by capital and related financing activities	<u>(1,216,785)</u>	<u>1,389,151</u>
Cash Flows from Investing Activities:		
Investment income	<u>5</u>	<u>28</u>
Net cash flows provided by investing activities	<u>5</u>	<u>28</u>
Net increase in cash	(751,538)	2,660,677
Cash and cash equivalents, beginning of year	<u>5,894,028</u>	<u>3,233,351</u>
Cash and cash equivalents, end of year	<u>\$ 5,142,490</u>	<u>\$ 5,894,028</u>

See accompanying notes to financial statements.

TERRE HAUTE HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011(continued)

	<u>2012</u>	<u>2011</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	\$ (99,763)	\$ 301,824
Items which did not use cash:		
Depreciation	985,358	795,253
Bad debts	113,880	140,415
Working capital changes which provided (used) cash:		
Accounts receivable - HUD and other government	79,244	24,787
Accounts receivable - tenants	(152,843)	(107,215)
Accounts receivable - other	13,831	75,439
Prepaid expenses	(22,888)	(60,890)
Inventories	7,244	(892)
Accounts payable	(159,760)	3,916
Accrued expenses	16,970	50,931
Tenant security deposits	(4,503)	41,684
Accrued compensated absences	1,875	673
Other current liabilities	2,992	-
Deferred revenue	(240,574)	75,135
Other liabilities	<u>(75,821)</u>	<u>(69,562)</u>
Net cash provided by operating activities	<u>\$ 465,242</u>	<u>\$ 1,271,498</u>
A reconciliation of cash and cash equivalents to Statement of Net Assets is as follows:		
Cash and cash equivalents	\$ 4,598,843	\$ 5,282,336
Restricted cash and cash equivalents	<u>543,647</u>	<u>611,692</u>
	<u>\$ 5,142,490</u>	<u>\$ 5,894,028</u>
Schedule of non-cash capital and related financing activities:		
Capital assets contributed	<u>\$ -</u>	<u>\$ 5,990,864</u>

See accompanying notes to financial statements.

**TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Terre Haute ("Terre Haute Housing Authority") or ("the Authority") is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in Terre Haute, Indiana. The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of seven members who serve four year terms. The governing board is essentially autonomous but responsible to the United States Department of Housing and Urban Development ("HUD"). An executive director is appointed by the Authority's board to manage the day-to-day operations of the Authority.

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Low Rent Public Housing Program

The public housing program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Housing Choice Voucher Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Homeless Prevention and Rapid Re-Housing Program

The objectives of the Homelessness Prevention and Rapid Re-Housing Program ("HPRP") are to provide homelessness prevention assistance to households who would otherwise become homeless—many due to the economic crisis—and to provide assistance to rapidly re-house persons who are homeless as defined by Section 103 of the McKinney-Vento Homeless Assistance Act.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Organization (continued)

State and Local Programs

The Authority administers various grants from the State of Indiana and the City of Terre Haute. The activities of state and local grants are reported in this fund. Included in the State and Local Programs is the Housing Opportunities for Persons with Aids/HIV ("HOPWA") the facilitates the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.

B. Reporting Entity

In accordance with statement No. 39 Government Accounting Standards Board ("GASB"), the Authority's financial statements include those of the Terre Haute Housing Authority and any component units. Component units are legally separate, tax-exempt organizations that meet all of the following criteria:

1. The economic resources received by the separate organization are almost entirely for the direct benefit of the Authority.
2. The Authority has the ability to access a majority of the economic resources held by the separate organization.
3. The economic resources referred to in No. 2 are significant to the Authority.

Based upon the application of these criteria, this report includes the following component unit:

Low Income Housing Development Corporation ("LIHDC")

LIHDC was established on September 8, 2009 to develop, finance, construct, and/or operate three housing projects known as Garfield Gardens, Deming Center, and Seven Homes through Neighborhood Stabilization Program grants.

LIHDC is a wholly owned not-for-profit subsidiary of the Authority, the Board of Directors of LIHDC is identical to the Authority's Board of Commissioners and the operations of LIHDC are included in the accompanying blended financial statements.

Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows. GASB 34 also requires the Authority to include managements' discussion and analysis as part of the Required Supplemental Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities that Use Proprietary Fund Accounting*, the Authority has elected to apply all Financial Accounting Standards Board pronouncements, Accounting Principles Board Opinions and Accounting Research Bulletins issued that do not conflict with or contradict GASB Pronouncements.

On January 30, 2008, HUD issued *PIH Notice 2008-9* which among other things clarifies HUD's reporting position that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net assets, with the associated cash and investments also being reported on HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net assets, with the associated assets being reported on the FDS as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB Statement No. 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Voucher program is no longer a cost reimbursement grant, therefore the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

Any investment income earned on these funds are reflected in the net asset account on which the investment income was earned. That is; investment income earned on HAP cash balances are credited to the HAP restricted net asset account and investment income earned on administrative fee cash balances are credited to the unrestricted net asset account.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents

HUD requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

HUD also requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

For the statement of cash flows, cash and cash equivalents includes all unrestricted cash balances and highly liquid investments with a maturity of three months or less at the time of purchase.

It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

E. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants' accounts receivable balances primarily consist of rents past due and vacated tenants. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

F. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

G. Inventory

The Authority's inventory is comprised of office supplies and maintenance materials and supplies. Inventory is valued at cost and the Authority uses the first-in, first-out (FIFO) flow assumption in determining cost.

The periodic method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially as expenses. Based on a fiscal year-end physical inventory the value of inventory and expenses are adjusted.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | |
|---------------------------|--------------|
| • Buildings | 30 Years |
| • Furniture and Equipment | 3 - 10 Years |
| • Infrastructure | 40 Years |

The Authority has established a capitalization threshold of \$1,000.

I. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with GASB Standards. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

J. Deferred Revenues

The Authority's deferred revenue primarily consists of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods.

K. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net zero. For reporting purposes, these inter-program receivables and payables are eliminated in the combined financial statement.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues as non-operating.

M. Taxes

The Authority is a unit of local government under Indiana law and is exempt from real estate, sales and income taxes.

N. Use of Management 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 certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements, estimated liability arising from injuries to persons, environmental accrual and contingencies. Actual results could differ significantly from these estimates.

O. Equity Classifications

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

The Public Housing Program prepares its budget annually. The Board of Commissioners adopts the budget through passage of a budget resolution and submits it to HUD at least ninety days prior to the beginning of the program year.

Q. Economic Dependency

The Section 8 and Low Rent Housing programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

NOTE 2. CASH AND CASH EQUIVALENTS

At September 30, 2012 and 2011, the Authority had funds on deposit in checking accounts.

For the fiscal years ended September 30, 2012 and 2011, the carrying amount of the Authority's cash (including restricted cash) was \$5,142,490 and \$5,894,028 and the bank balances were \$5,326,529 and \$6,090,496, respectively.

Of the bank balances, \$250,000 and \$250,000 were covered by federal depository insurance and the remaining \$5,076,529 and \$5,840,496 were collateralized with the pledging financial institution for the fiscal years ended September 30, 2012 and 2011.

<u>Description</u>	<u>2012</u>	<u>2011</u>
Insured:		
FDIC	\$ 250,000	\$ 250,000
Collateralized:		
Collateralized amount held by pledging financial institution	<u>5,076,529</u>	<u>5,840,496</u>
	<u>\$ 5,326,529</u>	<u>\$ 6,090,496</u>

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of September 30, 2012 and 2011, the Authority's bank balances were not exposed to custodial credit risk.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following at September 30, 2012 and 2011:

<u>Description</u>	<u>2012</u>	<u>2011</u>
Accounts receivable - tenants	\$ 105,036	\$ 66,073
Accounts receivable - HUD	-	79,244
Accounts receivable - other	<u>42,584</u>	<u>56,415</u>
Total accounts receivable, net	<u>\$ 147,620</u>	<u>\$ 201,732</u>

A. Accounts Receivable - tenants, net

As of September 30, 2012 and 2011, Accounts Receivable - tenants, net consisted of the following:

<u>Category</u>	<u>2012</u>	<u>2011</u>
Tenant receivables	\$ 56,791	\$ 75,109
Fraud recovery receivables	<u>118,348</u>	<u>75,904</u>
Total tenant receivables	175,139	151,013
Less: allowance for doubtful accounts, tenant receivables	(9,352)	(27,554)
Less: allowance for doubtful accounts, fraud recovery	<u>(60,751)</u>	<u>(57,386)</u>
Accounts receivable - tenants, net	<u>\$ 105,036</u>	<u>\$ 66,073</u>

B. Accounts Receivable - HUD

Accounts receivable - HUD represent amounts due to the Authority for operating and capital grants. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts. As of September 30, 2012 and 2011, HUD accounts receivable consisted of the following:

<u>Description</u>	<u>2012</u>	<u>2011</u>
Capital fund stimulus program expense reimbursement	\$ -	\$ 67,206
Low rent public housing subsidy	<u>-</u>	<u>12,038</u>
	<u>\$ -</u>	<u>\$ 79,244</u>

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 3. ACCOUNTS RECEIVABLE (continued)

C. Accounts Receivable - Other

Accounts receivable - other consist of amounts advanced from non-federal funds to other projects to cover operating expenses. As of September 30, 2012 and 2011, other accounts receivable totaled \$42,584 and \$56,415, respectively. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts.

NOTE 4. CAPITAL ASSETS, NET

A summary of the changes in capital assets during September 30, 2012 and 2011 were as follows:

Description	September 30, 2011	Additions	Retirements	Transfers	September 30, 2012
<u>Non-depreciable capital assets:</u>					
Land	\$ 744,977	\$ -	\$ -	\$ -	\$ 744,977
Construction in progress	<u>288,912</u>	<u>1,962,830</u>	<u>-</u>	<u>-</u>	<u>2,251,742</u>
Subtotal	<u>1,033,889</u>	<u>1,962,830</u>	<u>-</u>	<u>-</u>	<u>2,996,719</u>
<u>Depreciable capital assets:</u>					
Buildings	38,780,917	830,596	-	-	39,611,513
Furniture and equipment	<u>552,918</u>	<u>46,695</u>	<u>(17,940)</u>	<u>-</u>	<u>581,673</u>
Subtotal	<u>39,333,835</u>	<u>877,291</u>	<u>(17,940)</u>	<u>-</u>	<u>40,193,186</u>
Total capital assets	40,367,724	2,840,121	(17,940)	-	43,189,905
Less: accumulated deprec.	<u>21,819,483</u>	<u>985,358</u>	<u>(14,651)</u>	<u>-</u>	<u>22,790,190</u>
Capital assets, net	<u>\$ 18,548,241</u>	<u>\$ 1,854,763</u>	<u>\$ (3,289)</u>	<u>\$ -</u>	<u>\$ 20,399,715</u>

Description	September 30, 2010	Additions	Retirements	Transfers	September 30, 2011
<u>Non-depreciable capital assets:</u>					
Land	\$ 602,478	\$ 142,499	\$ -	\$ -	\$ 744,977
Construction in progress	<u>1,420,707</u>	<u>482,963</u>	<u>-</u>	<u>(1,614,758)</u>	<u>288,912</u>
Subtotal	<u>2,023,185</u>	<u>625,462</u>	<u>-</u>	<u>(1,614,758)</u>	<u>1,033,889</u>
<u>Depreciable capital assets:</u>					
Buildings and improvements	30,953,434	6,212,725	-	1,614,758	38,780,917
Furniture and equipment	<u>325,056</u>	<u>227,862</u>	<u>-</u>	<u>-</u>	<u>552,918</u>
Subtotal	<u>31,278,490</u>	<u>6,440,587</u>	<u>-</u>	<u>1,614,758</u>	<u>39,333,835</u>
Total capital assets	33,301,675	7,066,049	-	-	40,367,724
Less: accumulated deprec.	<u>21,024,230</u>	<u>795,253</u>	<u>-</u>	<u>-</u>	<u>21,819,483</u>
Capital assets, net	<u>\$ 12,277,445</u>	<u>\$ 6,270,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,548,241</u>

Depreciation expense for the years ended September 30, 2012 and 2011 totaled \$985,358 and \$795,253, respectively.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 5. RESTRICTED CASH

Restricted cash consists of the following at September 30, 2012 and 2011:

<u>Cash Category</u>	<u>2012</u>	<u>2011</u>
Section 8 HAP Equity	\$ 435,508	\$ 470,261
Family Self Sufficiency Deposits	65,607	98,903
Debt Service Reserve Fund for 1977 Bearer Bonds	<u>42,532</u>	<u>42,528</u>
	<u>\$ 543,647</u>	<u>\$ 611,692</u>

Housing assistance payment reserves are restricted for use only in the Housing Choice Voucher Program for future housing assistance payments.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Housing Choice Voucher and Low Rent Public Housing Programs by FSS program participants.

Debt Service Reserve Fund are restricted for the redemption of certain bearer bonds that were issued by the Authority in 1977.

NOTE 6. COMPENSATED ABSENCES

The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued at the balance sheet date for which payment is probable. Annual Leave with pay shall accrue at the rate of one working day per month for the first five years of service, and one and one quarter days per month thereafter. Annual leave may not be taken in increments of less than one half day. Annual Leave may be carried over into any successive calendar years and may accumulate to a total of 30 days at the end of any calendar year. Accumulated Annual Leave in excess of 30 days is forfeited. Cash payments for accrued annual leave will not be made to current employees but will be made to all employees who separate from service. Annual leave may only be taken at the convenience of the Authority, and requests for annual leave must be submitted for approval by the immediate supervisor as soon as possible. At least three days' notice is preferred.

As of September 30, 2012 and 2011, the Authority had accrued approximately \$99,197 and \$97,322. Compensated absences activity for the year ended September 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Beginning accrued compensated absences	\$ 97,322	\$ 96,649
Compensated absences expense	86,432	99,836
Redemption of compensated absences	<u>(84,557)</u>	<u>(99,163)</u>
Ending accrued compensated absences	\$ 99,197	\$ 97,322
Less: current portion	<u>75,511</u>	<u>72,903</u>
Accrued compensated absences, non-current portion	<u>\$ 23,686</u>	<u>\$ 24,419</u>

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 7. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of amounts held in escrow as part of Family Self Sufficiency Program (FSS) and the remaining as part of the Reserve for Bearer Bonds that came due several years ago. Activity for the years ended September 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Beginning escrow liability balance	\$ 183,959	\$ 210,993
Deposits into escrow accounts	16,446	14,655
Withdrawals from escrow accounts	<u>(92,267)</u>	<u>(41,689)</u>
Ending escrow liability balance	<u>\$ 108,138</u>	<u>\$ 183,959</u>

NOTE 8. LONG TERM DEBT

	<u>2012</u>	<u>2011</u>
Loan from First Financial Bank with interest at 4.36% requiring monthly payments \$3,289. The loan is secured by property and matures in August 2026.	\$ 395,398	417,065
Loan from First Financial Bank with interest at 4.88% requiring monthly payments of \$2,311. The loan is secured by property and matures in March 2027.	289,063	301,201
Loan from First Financial Bank with interest at 4.75% requiring monthly payments of \$1,907. The loan is secured by property and matures in February 2023.	<u>190,137</u>	<u>171,287</u>
Total long-term debt	874,598	889,553
Less: current portion	<u>48,924</u>	<u>44,554</u>
Long-term debt excluding current portion	<u>\$ 825,674</u>	<u>\$ 844,999</u>

Annual debt service for principal and interest over the next several years is as follows:

Year	Principal	Interest	Total
2013	48,924	41,155	90,079
2014	53,812	36,267	90,079
2015	56,346	33,733	90,079
2016	59,000	31,079	90,079
2017	61,779	28,300	90,079
2018-2022	355,392	95,003	450,395
2023-2027	<u>239,345</u>	<u>19,677</u>	<u>259,022</u>
	<u>\$ 874,598</u>	<u>\$ 285,214</u>	<u>\$ 1,159,812</u>

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 8. LONG TERM DEBT (continued)

Debt service activity for the year ended September 30, 2012 and 2011 consisted of the following:

Description	September 30, 2011	Advances	Principal Payments	September 30, 2012	Due within one year
First Financial Bank Loan #1	\$ 417,065	\$ -	\$ (21,667)	\$ 395,398	23,179
First Financial Bank Loan #2	301,201	-	(12,138)	289,063	13,940
7 Houses Loan	<u>171,287</u>	<u>28,640</u>	<u>(9,790)</u>	<u>190,137</u>	<u>11,805</u>
	<u>\$ 889,553</u>	<u>\$ 28,640</u>	<u>\$ (43,595)</u>	<u>\$ 874,598</u>	<u>\$ 48,924</u>

Description	September 30, 2010	Advances	Principal Payments	September 30, 2011	Due within one year
First Financial Bank Loan #1	\$ 437,863	\$ -	\$ (20,798)	\$ 417,065	21,667
First Financial Bank Loan #2	313,899	-	(12,698)	301,201	12,138
7 Houses Loan	<u>-</u>	<u>207,461</u>	<u>(36,174)</u>	<u>171,287</u>	<u>10,749</u>
	<u>\$ 751,762</u>	<u>\$ 207,461</u>	<u>\$ (69,670)</u>	<u>\$ 889,553</u>	<u>\$ 44,554</u>

NOTE 9. PENSION PLAN

The Authority provides pension benefits for all its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amount contributed to the plan plus investment earnings. Employees who choose to participate can contribute some of their regular wages, on a tax-deferred basis, to their retirement account. Enrollment in the plan occurs once per year, on Oct. 1st. New full time employees who are at least age 20 ½ and have completed at least six months of service as of October 1 will be enrolled in the plan,

Employees may contribute up to the maximum amount allowable by law to the retirement plan. The Housing Authority will contribute an amount equal to 2.5% of the employee's regular wages. Additionally, the Authority will match employee contributions up to 6%.

The Authority's total payroll in years ended September 30, 2012 and 2011 approximated \$1,837,002 and \$1,653,673. The Authority's contributions were calculated using a defined contribution pension plan. For the years ended September 30, 2012 and 2011, the Authority's portion approximated \$117,677 and \$121,426, which has been charged to the employee fringe benefit account.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 10. RESTRICTED NET ASSETS

At September 30, 2012 and 2011 restricted net assets consist of Housing Choice Voucher payment reserves which are restricted for use within the Housing Choice Voucher Program for tenant rents.

NOTE 11. ACQUISITIONS

During the year ended September 30, 2011, LIHDC acquired substantially all of the assets and liabilities of Garfield Gardens and the Deming Center. The assets and liabilities were recorded at their fair market value and the resulting equity as it related to each of the housing facilities was recorded as a capital contribution to LIHDC. The contributions attributed to Garfield Gardens and the Deming Center is as follows:

	<u>Amount</u>
Garfield Gardens	\$ 3,744,014
Deming Center	<u>3,666,270</u>
Total contribution	\$ <u>7,410,284</u>

NOTE 12. LEASING ACTIVITIES

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Tenant Revenue". Tenant Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

NOTE 13. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of September 30, 2012 and 2011, the Authority estimates that no material liabilities will result from such audits.

TERRE HAUTE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2012 AND 2011

NOTE 14. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions; and natural disasters. The Authority participates in a public entity risk pool (Housing Authority's Risk Retention Group). Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

NOTE 15. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through February 7, 2013 (the date the financial statements were available to be issued) and concluded that no subsequent events occurred that would require disclosure in the notes to the financial statements.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Terre Haute Housing Authority:

We have audited the financial statements of the Terre Haute Housing Authority ("the Authority") as of and for the year ended September 30, 2012, and have issued our report therein dated February 7, 2013. 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.

Internal Control Over Financial Reporting

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

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

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (continued)**

Compliance and Other Matters

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

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

February 7, 2013
Toms River, New Jersey



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Terre Haute Housing Authority:

Compliance

We have audited the compliance of the Terre Haute Housing Authority ("the Authority"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2012.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (continued)**

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control 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 that is more than inconsequential will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

February 7, 2013
Toms River, New Jersey

TERRE HAUTE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2012

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:			
Low Rent Public Housing	14.850		\$ 2,640,607
Public Housing Capital Fund	14.872		2,086,330
Section 8 Housing Choice Voucher Program	14.871		4,216,381
Section 8 HCV Program - LIHDC	14.871		755,227
Housing Opportunities for Persons with AIDS	14.421		41,806
Neighborhood Stabilization Program	14.256		<u>32,250</u>
 Total U.S. Department of Housing and Urban Development			 \$ <u>9,772,601</u>
Pass-Through:			
City of Terre Haute:			
Homelessness Prevention and Rapid Re-Housing #1	14.257	509-MY-180012	\$ 102,578
Homelessness Prevention and Rapid Re-Housing #2	14.257	HPRP-09-18	<u>18,908</u>
 Total Pass-Through			 \$ <u>121,486</u>
 Total Expenditures of Federal Awards			 \$ <u>9,894,087</u>

TERRE HAUTE HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. NON-CASH FEDERAL ASSISTANCE

The Authority did not receive any non-cash Federal assistance for the year ended September 30, 2012.

NOTE 3. LOAN GUARANTEES

At September 30, 2012, the Authority is not the guarantor of any loans outstanding.

**TERRE HAUTE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

I. Summary of Auditor's Results

Financial Statement Section

- | | | |
|----|---|-------------|
| 1. | Type of auditors' report issued | Unqualified |
| 2. | Internal control over financial reporting | |
| | a. Material Weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|--|-------------|
| 1. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$300,000 |
| 2. | Dollar threshold used to assess Type B Programs: | \$100,000 |
| 3. | Auditee qualified as low-risk Auditee? | Yes |
| 4. | Type of auditors' report on compliance for major programs: | Unqualified |
| 5. | Internal Control over compliance | |
| | a. Material weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| | c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) | No |
| 6. | Identification of major programs: | |

CFDA Number

Name of Federal Program

14.871

Section 8 Housing Choice Voucher Program

**TERRE HAUTE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with government auditing standards generally accepted in the United States of America.

III. Federal Award Findings and Questioned Costs

There were no findings or questions costs relating to federal awards.

IV. Summary of Prior Audit Findings

None.

SUPPLEMENTARY INFORMATION

TERRE HAUTE HOUSING AUTHORITY
SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES
YEAR ENDED SEPTEMBER 30, 2012

	<u>501-09</u>	<u>501-10</u>	<u>Totals</u>
Budget	\$ <u>1,348,962</u>	\$ <u>1,346,362</u>	\$ <u>2,695,324</u>
<u>Advances:</u>			
Cumulative through 10/1/11	\$ 389,412	\$ -	\$ 389,412
Current year	<u>860,302</u>	<u>1,226,028</u>	<u>2,086,330</u>
Cumulative through 9/30/12	<u>1,249,714</u>	<u>1,226,028</u>	<u>2,475,742</u>
<u>Costs:</u>			
Cumulative through 10/1/11	389,412	-	389,412
Current year	<u>860,302</u>	<u>1,226,028</u>	<u>2,086,330</u>
Cumulative through 9/30/12	<u>1,249,714</u>	<u>1,226,028</u>	<u>2,475,742</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
 <u>Summary</u>			
<u>Soft Costs:</u>			
Cumulative through 10/1/11	\$ 100,500	\$ -	\$ 100,500
Current year	<u>33,500</u>	<u>90,000</u>	<u>123,500</u>
Cumulative through 9/30/12	<u>134,000</u>	<u>90,000</u>	<u>224,000</u>
<u>Hard Costs:</u>			
Cumulative through 10/1/11	288,912	-	288,912
Current year	<u>826,802</u>	<u>1,136,028</u>	<u>1,962,830</u>
Cumulative through 9/30/12	<u>1,115,714</u>	<u>1,136,028</u>	<u>2,251,742</u>
Cumulative	\$ <u>1,249,714</u>	\$ <u>1,226,028</u>	\$ <u>2,475,742</u>

Terre Haute Housing Authority									
IN021									
Financial Data Schedule (FDS)									
September 30, 2012									
Line Item #	Account Description	PROJECTS	14,871 Housing Choice Vouchers	2 State/Local	14,257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ 1,014,293	\$ 223,784	\$ 4,907	\$ -	\$ 2,514,046	\$ 623,029	\$ -	\$ 4,380,059
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-
113	Cash - other restricted	41,875	459,240	-	-	42,532	-	-	543,647
114	Cash - tenant security deposits	181,448	-	-	-	37,336	-	-	218,784
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-
100	Total cash	1,237,616	683,024	4,907	-	2,593,914	623,029	-	5,142,490
Accounts and notes receivables:									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	9,999	-	-	-	-	9,999
125	Accounts receivable - miscellaneous	-	-	-	-	-	34,944	-	34,944
126	Accounts receivable- tenants	42,389	2,949	-	-	11,453	-	-	56,791
126.1	Allowance for doubtful accounts - tenants	(4,238)	-	-	-	(5,114)	-	-	(9,352)
126.2	Allowance for doubtful accounts - other	-	(2,359)	-	-	-	-	-	(2,359)
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-
128	Fraud recovery	-	118,348	-	-	-	-	-	118,348
128.1	Allowance for doubtful accounts - fraud	-	(60,751)	-	-	-	-	-	(60,751)
129	Accrued interest receivable	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	38,151	58,187	9,999	-	6,339	34,944	-	147,620
Current investments									
131	Investments - unrestricted	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	164,090	9,462	1,388	-	36,703	26,048	-	237,691
143	Inventories	41,701	-	-	-	2,073	24,074	-	67,848
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	1,481,558	750,673	16,294	-	2,639,029	708,095	-	5,595,649
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	589,452	-	-	-	142,500	13,025	-	744,977
162	Buildings	32,191,145	-	-	-	6,185,767	1,234,601	-	39,611,513
163	Furniture, equipment & machinery - dwellings	180,613	-	-	-	4,712	27,740	-	213,065
164	Furniture, equipment & machinery - administration	198,123	10,288	-	-	-	160,197	-	368,608
165	Leasehold improvements	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(22,057,187)	(3,086)	-	-	(266,812)	(463,105)	-	(22,790,190)
167	Construction in Progress	2,251,742	-	-	-	-	-	-	2,251,742
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	13,353,888	7,202	-	-	6,066,167	972,458	-	20,399,715
Other non-current assets:									
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-
175	Undistributed debits	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	13,353,888	7,202	-	-	6,066,167	972,458	-	20,399,715
190	TOTAL ASSETS	\$ 14,835,446	\$ 757,875	\$ 16,294	\$ -	\$ 8,705,196	\$ 1,680,553	\$ -	\$ 25,995,364

Terre Haute Housing Authority									
IN021									
Financial Data Schedule (FDS)									
September 30, 2012									
Line Item #	Account Description	PROJECTS	14,871 Housing Choice Vouchers	2 State/Local	14,257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
LIABILITIES AND EQUITY:									
Liabilities:									
Current Liabilities:									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	12,613	479	-	-	1,010	7,815	-	21,917
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	35,196	-	35,196
322	Accrued compensated absences - current portion	34,201	8,679	1,286	-	2,674	28,671	-	75,511
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	708	-	708
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-
333	Accounts payable - other government	61,072	-	-	-	-	-	-	61,072
341	Tenant security deposits	181,448	-	-	-	37,336	-	-	218,784
342	Deferred revenue	7,323	-	-	-	1,018	2,229	-	10,570
343	Current portion of L-T debt - capital projects	-	-	-	-	12,313	-	-	12,313
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	36,611	-	36,611
345	Other current liabilities	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	7,179	-	-	-	334	1,131	-	8,644
347	Interprogram - due to	-	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	303,836	9,158	1,286	-	54,685	112,361	-	481,326
NONCURRENT LIABILITIES:									
351	Long-term debt, net of current - capital projects	-	-	-	-	177,824	647,850	-	825,674
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	41,875	23,731	-	-	42,532	-	-	108,138
354	Accrued compensated absences - noncurrent	11,874	6,566	57	-	-	5,189	-	23,686
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	53,749	30,297	57	-	220,356	653,039	-	957,498
300	TOTAL LIABILITIES	357,585	39,455	1,343	-	275,041	765,400	-	1,438,824
EQUITY:									
508.1	Invested in Capital Assets, Net of Related Debt	13,353,888	7,202	-	-	5,876,030	287,997	-	19,525,117
511.1	Restricted Net Assets	-	435,508	-	-	-	-	-	435,508
512.1	Unrestricted Net Assets	1,123,973	275,710	14,951	-	2,554,125	627,156	-	4,595,915
513	TOTAL EQUITY	14,477,861	718,420	14,951	-	8,430,155	915,153	-	24,556,540
600	TOTAL LIABILITIES AND EQUITY	\$ 14,835,446	\$ 757,875	\$ 16,294	\$ -	\$ 8,705,196	\$ 1,680,553	\$ -	\$ 25,995,364
	Proof of concept	-	-	-	-	-	-	-	-

Terre Haute Housing Authority										
IN021										
Financial Data Schedule (FDS)										
September 30, 2012										
Line Item #	Account Description	OPERATING	CAPITAL	14.871 Housing Choice Vouchers	2 State/Local	14,257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
REVENUE:										
70300	Net tenant rental revenue	\$ 1,389,860	\$ -	\$ -	\$ -	\$ -	\$ 469,628	\$ -	\$ -	\$ 1,859,488
70400	Tenant revenue - other	359,751	-	-	-	-	16,475	19,167	-	395,393
70500	Total tenant revenue	1,749,611	-	-	-	-	486,103	19,167	-	2,254,881
70600	HUD PHA grants	2,640,607	123,500	4,087,984	41,806	121,486	787,477	-	-	7,802,860
70610	Capital grants	-	1,962,830	-	-	-	-	-	-	1,962,830
70710	Management fee	-	-	-	-	-	-	941,910	(941,910)	-
70720	Asset management fee	-	-	-	-	-	-	103,200	(103,200)	-
70730	Book keeping fee	-	-	-	-	-	-	151,951	(151,951)	-
70750	Other fees	-	-	-	-	-	-	1,438	-	1,438
70800	Other government grants	-	-	-	47,286	-	-	-	-	47,286
71100	Investment income - unrestricted	-	-	-	-	-	5	-	-	5
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	76,440	-	-	-	-	-	76,440
71500	Other revenue	303,722	-	95,279	4,200	-	31,708	161,322	-	596,231
71600	Gain or loss on sale of fixed assets	531	-	-	-	-	-	-	-	531
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	4,694,471	2,086,330	4,259,703	93,292	121,486	1,305,293	1,378,988	(1,197,061)	12,742,502
EXPENSES:										
Administrative										
91100	Administrative salaries	320,156	-	166,790	-	23,178	55,412	486,229	-	1,051,765
91200	Auditing fees	9,361	-	9,890	-	-	11,500	-	-	30,751
91300	Outside management fees	560,187	123,500	125,364	-	-	132,859	-	(941,910)	-
91310	Book-keeping fee	73,598	-	78,353	-	-	-	-	(151,951)	-
91400	Advertising and marketing	-	-	-	-	-	-	2,812	-	2,812
91500	Employee benefit contributions- administrative	120,014	-	67,347	-	-	34,906	154,579	-	376,846
91600	Office expenses	59,653	-	14,283	16,980	-	19,149	216,801	-	326,866
91700	Legal expenses	5,591	-	1,046	-	-	5,554	55,987	-	68,178
91800	Travel	1,266	-	457	2,228	72	438	7,306	-	11,767
91810	Allocated overhead	-	-	-	-	-	-	-	-	-
91900	Other	-	-	1,034	386	-	-	23,435	-	24,855
92000	Asset Management Fee	103,200	-	-	-	-	-	-	(103,200)	-
Tenant services										
92100	Tenant services - salaries	-	-	-	23,331	-	-	-	-	23,331
92200	Relocation costs	-	-	-	1,396	-	-	-	-	1,396
92300	Employee benefit contributions- tenant services	-	-	-	4,544	-	-	-	-	4,544
92400	Tenant services - other	163,378	-	-	43,027	-	15,430	1,525	-	223,360

Terre Haute Housing Authority										
IN021										
Financial Data Schedule (FDS)										
September 30, 2012										
Line Item #	Account Description	OPERATING	CAPITAL	14.871 Housing Choice Vouchers	2 State/Local	14,257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
	Utilities									
93100	Water	193,608	-	-	-	-	24,766	1,287	-	219,661
93200	Electricity	287,135	-	-	992	-	166,967	19,567	-	474,661
93300	Gas	129,555	-	-	-	-	9,739	5,281	-	144,575
93400	Fuel	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-
93600	Sewer	285,837	-	-	-	-	32,646	1,065	-	319,548
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-
	Ordinary maintenance & operation									
94100	Ordinary maintenance and operations - labor	415,557	-	40,728	-	-	102,876	63,758	-	622,919
94200	Ordinary maintenance and operations - materials & other	511,208	-	3,491	-	-	37,052	15,623	-	567,374
94300	Ordinary maintenance and operations - contract costs	312,364	-	12,547	-	-	109,628	29,695	-	464,234
94500	Employee benefit contributions- ordinary maintenance	260,350	-	12,172	-	-	13,343	7,748	-	293,613
	Protective services									
95100	Protective services - labor	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	185,266	-	-	-	-	14,471	-	-	199,737
95300	Protective services - other	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-
	General expenses									
96100	Insurance premiums	205,445	-	12,632	-	-	54,669	62,020	-	334,766
96200	Other general expenses	204	-	1,464	-	98,236	-	86,696	-	186,600
96210	Compensated absences	43,432	-	9,103	-	-	4,428	29,469	-	86,432
96300	Payments in lieu of taxes	61,072	-	-	-	-	-	-	-	61,072
96400	Bad debt - tenant rents	111,481	-	-	-	-	717	-	-	112,198
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	1,682	-	-	-	-	-	1,682
96700	Interest expense	-	-	-	-	-	-	-	-	-
96710	Amortization of bond issue costs	-	-	-	-	-	8,242	31,040	-	39,282
96800	Severance expense	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	4,418,918	123,500	558,383	92,884	121,486	854,792	1,301,923	(1,197,061)	6,274,825
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	275,553	1,962,830	3,701,320	408	-	450,501	77,065	-	6,467,677
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	273,605	-	-	-	-	15,472	-	-	289,077
97300	Housing assistance payments	-	-	3,656,259	-	-	-	-	-	3,656,259
97350	HAP Portability - in	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	759,084	-	2,229	-	-	164,431	59,614	-	985,358
97500	Fraud losses	-	-	1,739	-	-	-	-	-	1,739
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	5,451,607	123,500	4,218,610	92,884	121,486	1,034,695	1,361,537	(1,197,061)	11,207,258

Terre Haute Housing Authority										
IN021										
Financial Data Schedule (FDS)										
September 30, 2012										
Line Item #	Account Description	OPERATING	CAPITAL	14.871 Housing Choice Vouchers	2 State/Local	14,257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
OTHER FINANCING SOURCES (USES)										
10010	Operating transfers in	-	-	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	(118,000)	-	-	-	-	-	-	118,000	-
10092	Inter Project excess cash transfer out	118,000	-	-	-	-	-	-	(118,000)	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(757,136)	1,962,830	41,093	408	-	270,598	17,451	-	1,535,244
MEMO ACCOUNT INFORMATION:										
11020	Required annual debt principal payments	-	-	-	-	-	12,313	36,611	-	48,924
11030	Beginning equity	13,272,167	-	677,327	14,543	-	8,159,557	897,702	-	23,021,296
11040	Prior period adjustments and equity transfers	(1,962,830)	1,962,830	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	282,912	-	-	-	-	-	282,912
11180	Housing assistance payments equity	-	-	435,508	-	-	-	-	-	435,508
		-	-	718,420	-	-	-	-	-	718,420
11190	Unit months available	10,320	-	10,992	-	-	2,112	-	-	23,424
11210	Number of unit months leased	9,813	-	10,447	-	-	2,073	-	-	22,333
Equity Roll Forward Test:										
	Calculation from R/E Statement	\$ 14,477,861	\$ -	\$ 718,420	\$ 14,951	\$ -	\$ 8,430,155	\$ 915,153	\$ -	\$ 24,556,540
	B/S Line 513	\$ 14,477,861	\$ -	\$ 718,420	\$ 14,951	\$ -	\$ 8,430,155	\$ 915,153	\$ -	\$ 24,556,540
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -