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November 14, 2012

Board of Directors  
Angola Housing Authority  
617 N. Williams Street  
Angola, IN 46703

We have reviewed the audit report prepared by Barry E. Gaudette, CPA, PC, Independent Public Accountant, for the period January 1, 2011 to December 31, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Angola Housing Authority, as of December 31, 2011 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

**HOUSING AUTHORITY OF THE CITY OF ANGOLA  
ANGOLA, INDIANA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2011  
AND  
REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

**HOUSING AUTHORITY OF THE CITY OF ANGOLA**  
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**DECEMBER 31, 2011**

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## **INTRODUCTION**

Barry E. Gaudette, CPA, PC  
731 S. Garfield Avenue  
Traverse City, Michigan 49686

***Independent Auditor's Report***

Board of Directors  
Housing Authority of the City of Angola  
Angola, Indiana

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Angola, Indiana, (Housing Authority) as of and for the year ended December 31, 2011, which comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Housing Authority of the City of Angola, Indiana, as of December 31, 2011, and the respective changes in financial position, and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 8, 2012 on my consideration of the Housing Authority of the City of Angola's internal control over financial reporting and on my 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 my 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 should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Housing Authority of the City of Angola, Indiana's financial statements as a whole. The accompanying Housing Authority financial data schedule is presented for the purpose of additional analysis and is not a required part of the financial statements. The financial data schedule is the responsibility of management and was 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Barry E. Gaudette, CPA, PC*

May 8, 2012

**Housing Authority of the City of Angola**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2011**  
**(Unaudited)**

**INTRODUCTION**

This Management's Discussion and Analysis (MD&A) of the Angola Housing Authority (Authority) provides an introduction and overview to the financial statements of the Angola Housing Authority for the fiscal year ended December 31, 2011. The Angola Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2011, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Angola Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's basic financial statements and related notes to the financial statements.

The Authority has two individual programs. They include the Low Rent Public Housing Program and the Capital Fund Program. The Low Rent Program consists of 188 dwelling units, of which 175 are leased, 5 are exempt vacant due to modernization, 7 are exempt vacant due to a special use, and 1 was non-exempt and vacant as of December 31, 2011. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. The Capital Fund Program is also a formula based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations. These resources allow the Authority to provide more jobs and provide energy efficient modernization and renovation of the current dwelling structures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This overview of the financial statement is intended to inform and introduce the reader to the Authority's basic financial statements. The basic financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Assets
- The Statement of Revenues, Expense, and Changes in Net Assets
- The Statement of Cash Flows

**The Statement of Net Assets** presents information on the assets and liabilities, with the differences between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Assets is comprised of three individual components:

**Housing Authority of the City of Angola**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2011**  
**(Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

- *Investment in Capital Assets, Net of Related Debt* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted Net Assets* consists of assets that are restricted by limitations placed on these assets by an external source or party.
- *Unrestricted Net Assets* consists of net assets that do not meet the definition of the above categories. Unrestricted net assets are the amount of funds available for future year appropriations.

**The Statement of Revenues, Expenses, and Changes in Net Assets** reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2011 to determine the change in net assets for the fiscal year.

**The Statement of Cash Flows** reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2011.

**FINANCIAL HIGHLIGHTS**

- The Angola Housing Authority's total net assets increased from \$5,153,957 to \$4,763,884 a decrease of \$390,073 or 7.6%. The total assets decreased by \$428,626 or 8%.
- The unrestricted net asset balance is listed as \$513,532 at December 31, 2011. This represents a decrease of \$106,562 or 17% from the previous year.
- Total revenues decreased from \$1,415,110 to \$826,425 a decrease of \$588,685 or 42%.
- Total expenses increased by \$85,505 from \$1,130,993 to \$1,216,498 for the current year. This represents an increase of 8%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2011 and December 31, 2010.

**Housing Authority of the City of Angola  
Management's Discussion and Analysis (MD&A)  
December 31, 2011  
(Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Summary Statement of Net Assets**

<u>Category</u>	<u>FYE 2011</u>	<u>FYE 2010</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 584,274	\$ 689,070	\$ (104,796)	(15.2)%
Fixed Assets (Net of Depreciation)	4,395,939	4,719,769	(323,830)	(6.9)%
Total Assets	<u>4,980,213</u>	<u>5,408,839</u>	<u>(428,626)</u>	<u>(8.0)%</u>
Current Liabilities	102,307	99,029	3,278	3.4%
Long Term Liabilities	114,022	155,853	(41,831)	(26.9)%
Total Liabilities	<u>216,329</u>	<u>254,882</u>	<u>(38,553)</u>	<u>(15.2)%</u>
Net Assets:				
Investment in Net Fixed Assets	4,250,352	4,533,863	(283,511)	(6.3)%
Unrestricted Net Assets	513,532	620,094	(106,562)	(17.2)%
Total Net Assets	<u>\$ 4,763,884</u>	<u>\$ 5,153,957</u>	<u>\$ (390,073)</u>	<u>(7.6)%</u>

*Current Assets*

Accounts receivable from HUD for capital grants decreased by \$90,704 from the prior year and cash flows were a negative \$16,599 accounting for most of the change in current assets.

*Current Liabilities*

The current liabilities balance increased by \$3,278 over the previous year, in part, due to accounts payable to vendors increasing by \$2,923.

*Net Assets*

The Authority's total net assets balance decreased \$390,073 from the previous year.

The Authority's unrestricted net assets increased from \$620,094 to \$513,532, a decrease of \$106,562, or 17% for the current year. The principal reason for the decrease is due to an increase in current year spending and a reduction in federal grants from the prior year. The unrestricted net asset account balance is the amount available for future appropriations. This balance is subject to program specific guidelines.

**Housing Authority of the City of Angola**  
**Management's Discussion & Analysis (MD&A)**  
**December 31, 2011**  
**(Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Net Assets (Continued)*

Investment in net fixed assets decreased by \$283,511 during the current fiscal year primarily due to the recognition of the current year's additions to net fixed assets and accumulated depreciation, and the payments on long term debt.

***Summary Statement of Revenues & Expenses and Changes in Net Assets***  
***Years Ended December 31, 2011 and 2010***

<u>Category</u>	<u>FYE 2011</u>	<u>FYE 2010</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenue	\$ 360,616	\$ 309,112	\$ 51,504	16.7%
Operating Grants	374,945	507,592	(132,647)	(26.1)%
Capital Grants	75,632	611,847	(536,215)	(87.6)%
Interest Income	5,785	5,984	(199)	(3.3)%
Other Revenue	9,447	6,269	3,178	50.7%
Gain/Loss on Sale of Fixed Assets	0	(25,694)	25,694	100.0%
 Total Revenue	 <u>826,425</u>	 <u>1,415,110</u>	 <u>(588,685)</u>	 <u>(41.6)%</u>
 Administration	 269,411	 293,750	 (24,339)	 (8.3)%
Tenant Services	4,450	4,537	(87)	(1.9)%
Utilities	92,523	99,282	(6,759)	(6.8)%
Maintenance	301,511	267,878	33,633	12.6%
General Expense	113,836	95,991	17,845	18.6%
Interest Expense	8,445	10,377	(1,932)	(18.6)%
Depreciation	426,322	359,178	67,144	18.7%
 Total Expenses	 <u>1,216,498</u>	 <u>1,130,993</u>	 <u>85,505</u>	 <u>7.6%</u>
 Excess of Revenue over Expenses	 (390,073)	 284,117	 (674,190)	
Net Assets, Beginning of Year	5,153,947	4,849,745	304,202	
Prior Period Adjustments	0	20,095	(20,095)	
Net Assets, End of Year	<u>\$ 4,763,884</u>	<u>\$ 5,153,957</u>	<u>\$ (390,083)</u>	

**Housing Authority of the City of Angola**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2011**  
**(Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Results of Operations*

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue decreased \$588,685 during the current fiscal year. Significant changes noted between the current and prior fiscal years include:

- HUD operating grants decreased by \$132,647 from the previous year. Revenue related to operating subsidy had a decrease of \$54,301. Operating revenue related to the Capital Fund Program decreased by \$467,003. The Stimulus grant revenue in the previous year was \$147,558 and none in the current year. These decreases in federal grants account for the \$668,862 in decreased funding from the previous year.
- Tenant Revenue had an increase of \$51,504 from 2010 to 2011. This increase was due to an increase in units leased from 1,746 in 2010 to 1,907 in 2011. The average monthly rent also increased from \$159 in 2010 to \$177 in 2011.
- Loss on sale of fixed assets decreased by \$25,694 due there not being any sales of fixed assets this year.

Total expenses increased by \$85,505 compared to the previous year. Significant changes from the previous year included the following:

- Administration decreased by \$24,339 primarily as a result of decreased sundry expenses of \$26,706.
- Utilities decreased by \$6,759 due to water costs decreasing by \$2,601, electric costs decreasing by \$1,432, gas costs decreasing by \$1,607, and sewer costs decreasing by \$1,119.
- Ordinary maintenance increased by \$33,633 as a result of higher maintenance salaries, benefits, maintenance materials, and maintenance contract expenses.
- Other General expenses increased by \$17,845 primarily due to miscellaneous expenses, compensated absences, PILOT, and bad debts all increasing over the previous year.

**Housing Authority of the City of Angola  
Management's Discussion and Analysis (MD&A)  
December 31, 2011  
(Continued)**

**CAPITAL ASSETS**

As of December 31, 2011, the Angola Housing Authority's investment in capital assets was \$4,250,352. This investment includes land, building, construction in progress, and equipment net accumulated depreciation and related debt of \$145,587.

<u>Category</u>	<u>FYE 2011</u>	<u>FYE 2010</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 826,661	\$ 826,661	\$ 0	0.0%
Buildings	9,407,339	8,885,834	521,505	5.9%
Equipment	230,624	227,744	2,880	1.3%
Construction in progress	0	421,893	(421,893)	(100.0)%
Accumulated depreciation	(6,068,685)	(5,642,363)	(426,322)	(7.6)%
Total Net Fixed Assets	<u>\$ 4,395,939</u>	<u>\$ 4,719,769</u>	<u>\$ (323,830)</u>	(6.9)%

The addition to the building account is a result of renovations, security system updates, sidewalk repair, and an ongoing flooring project being funded from the 2010 and 2011 Capital Fund Grants and the Low Rent program.

The change in the equipment account is due to the purchase of drawer and shelving units for the maintenance van.

The change in the construction in progress account is due to multiple capital projects being completed during the current year.

**LONG TERM DEBT**

At December 31, 2011, the Housing Authority had \$145,587 in energy saving project debt payable outstanding versus \$185,906 last year. The detail of the Housing Authority's other long term debt (energy savings project debt) at year end is set forth below:

<u>Lender</u>	<u>Rate</u>	<u>Due Date</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
Fifth Third Bank	5.0%	04/01/15	<u>\$ 31,565</u>	<u>\$ 114,022</u>	<u>\$ 145,587</u>

**Housing Authority of the City of Angola  
Management's Discussion and Analysis (MD&A)  
December 31, 2011  
(Continued)**

**SUBSEQUENT EVENT**

Due to potential HUD budget cuts in the 2012 federal fiscal year, agencies with more than six months of expense in reserve (working capital) may be subject to recapture. As a result, revenue from operating subsidy has the potential to be significantly less in the upcoming fiscal year. Future expenditures are also uncertain as HUD will likely continue to prorate operating subsidy and reduce the Capital Fund grants.

Future Capital Fund Expenditures will be the ongoing replacement of flooring and bi-fold doors as units become vacant. The current Energy Performance contract will be extended to 20 years in order to receive full financial benefit from the current reduction in the cost of utilities and further energy conservation improvements. Additional funding will be secured through the contract to carry out projects identified as capital needs.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Angola Housing Authority  
Kris Strawser, Executive Director  
617 N. Williams Street  
Angola, IN 46703

## **FINANCIAL STATEMENTS**

**Housing Authority of the City of Angola**  
**Statement of Net Assets**  
**December 31, 2011**

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 229,832
Receivables, net	13,103
Investments	266,505
Prepaid expenses and other assets	51,055
Inventories, net	23,779
Total Current Assets	584,274

Capital Assets:

Land	826,661
Buildings	9,407,339
Equipment	230,624
	10,464,624
Less: accumulated depreciation	(6,068,685)
Net Capital Assets	4,395,939

Total Assets	\$ 4,980,213
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**LIABILITIES and NET ASSETS**

Current Liabilities:

Accounts payable	\$ 37,608
Tenant security deposit liability	26,445
Accrued expenses	32
Deferred revenues	6,657
Current portion of long-term debt	31,565
Total Current Liabilities	102,307

Noncurrent Liabilities:

Long-term debt, net of current	114,022
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Total Liabilities	216,329
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Net Assets:

Invested in capital assets	4,250,352
Unrestricted net assets	513,532
Total Net Assets	4,763,884

Total Liabilities and Net Assets	\$ 4,980,213
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See notes to financial statements

**Housing Authority of the City of Angola**  
**Statement of Revenues, Expenses, And**  
**Changes in Net Assets**  
**Year Ended December 31, 2011**

**OPERATING REVENUES:**

Dwelling rent	\$ 341,637
Non dwelling rents	18,979
Operating grants	<u>374,945</u>

Total operating revenues	<u>735,561</u>
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**OPERATING EXPENSES:**

Administration	269,411
Tenant services	4,450
Utilities	92,523
Maintenance	301,511
Insurance	45,688
General expenses	68,148
Depreciation	<u>426,322</u>

Total operating expenses	<u>1,208,053</u>
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Operating income (loss)	<u>(472,492)</u>
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**NONOPERATING REVENUES (EXPENSES):**

Investment interest income	5,785
Interest expense	(8,445)
Other income	<u>9,447</u>

Total non operating revenues (expenses)	<u>6,787</u>
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Income (loss) before contributions	(465,705)
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**CAPITAL CONTRIBUTIONS**

	<u>75,632</u>
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Change in net assets	(390,073)
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Net assets, beginning	<u>5,153,957</u>
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Net assets, ending	<u><u>\$ 4,763,884</u></u>
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See notes to financial statements

**Housing Authority of the City of Angola**  
**Statement of Cash Flows**  
**Year Ended December 31, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from dwelling and non dwelling rents	\$ 362,816
Cash received from operating grants	374,945
Cash payments to other suppliers of goods and services	(397,258)
Cash payments to employees for services	(368,793)
Cash payments for in lieu of taxes	<u>(20,546)</u>
Net cash (used) by operating activities	<u>(48,836)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Tenant security deposits	3,425
Other revenue	<u>9,447</u>
Net cash provided by noncapital financing activities	<u>12,872</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING</b>	
Capital grants	166,336
Payments for capital acquisitions	(102,492)
Interest expense	(8,445)
Principal payments on long-term debt	<u>(40,319)</u>
Net cash provided by capital and related financing activities	<u>15,080</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investments increased by	(1,505)
Receipts of interest income	<u>5,790</u>
Net cash provided by investing activities	<u>4,285</u>
Net increase (decrease) in cash	(16,599)
Cash and cash equivalents, beginning	<u>246,431</u>
Cash and cash equivalents, ending	<u>\$ 229,832</u>

See notes to financial statements

**Housing Authority of the City of Angola**  
**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2011**

**RECONCILIATION OF OPERATING INCOME (LOSS)**  
**TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income (loss)	\$ (472,492)
Adjustments to reconcile operating (loss) to net cash provided (used)	
By operating activities:	
Depreciation	426,322
Bad debt allowance adjustment	606
Obsolete inventory	(336)
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable-tenants	(1,436)
Prepaid expenses	(3,204)
Inventories	3,363
Increase (decrease) in liabilities:	
Accounts payable	2,923
Accrued wages/payroll taxes payable	(13,218)
Accounts payable-PILOT	5,000
Deferred revenues	3,636
	(48,836)
Net cash (used) by operating activities	\$ (48,836)

See notes to financial statements

**Housing Authority of the City of Angola**  
**Notes to Financial Statements**  
**December 31, 2011**

**NOTE 1: Summary of Significant Accounting Policies**

The Housing Authority of the City of Angola is a Public Housing Agency created by the City of Angola on September 23, 1968, consisting of a five member board appointed by the City Mayor and charged with the responsibility to provide low-rent housing, under the low rent program Annual Contributions Contract for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal agencies.

The Housing Authority complies with U.S. generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the financial statements for the proprietary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Housing Authority the option of electing to apply FASB pronouncements issued after November 30, 1989, except for those that conflict with or contradict a GASB pronouncement. The Housing Authority has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**1(a) Financial Reporting Entity**

The Housing Authority's financial reporting entity comprises the following:

Primary Government:	Housing Authority
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In determining the financial reporting entity, the Housing Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39, "The Financial Reporting Entity", and includes all component units, if any, of which the Housing Authority appointed a voting majority of the units' board; the Housing Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. There are no agencies, organizations or activities meeting the criteria.

**1(b) Basis of Presentation**

Financial statements of the reporting entity's programs are organized and reported as an enterprise fund and are accounted for by providing a set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Enterprise funds are used to account for business-like activities provided to its tenants. These activities are financed primarily by user charges and/or Federal funding and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Housing Authority's programs as an enterprise fund.

## **1(b) Basis of Presentation (Continued)**

Following is a description of the Housing Authority's programs:

<b>Program</b>	<b>Brief Description</b>
Low Rent	Accounts for activities of the Public and Indian Housing program which HUD provides an annual subsidy to help public housing agencies (PHAs) pay some of the cost of operating and maintaining public housing units.
Capital Fund Program	Accounts for activities of the Capital Fund which provides funds to housing authorities to modernize public housing developments.

## **1(c) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

### **Measurement Focus**

In the financial statements, the "economic resources" measurement focus is used as follows:

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

### **Basis of Accounting**

In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

## **1(d) Assets, Liability, and Equity**

### **Cash and Investments**

For the purpose of the Statement of Net Assets, "cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

## **1(d) Assets, Liabilities, and Equity (Continued)**

### **Cash and Investments (Continued)**

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2(b) and 3(a).

### **Interprogram Receivables and Payables**

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. Offsetting interprograms are eliminated for financial statement presentation.

### **Receivables**

Receivables consist of all revenues earned at year-end and not yet received. Tenant accounts receivable, accrued interest receivable and accounts receivable from U.S. Department of Housing and Urban Development compose the majority of receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

### **Inventories**

Inventories are valued at average cost, and consist of expendable supplies held for consumption. The cost of inventories are recorded as expenditures when consumed, rather than when purchased.

### **Insurance**

The premiums on all major insurance policies are charged to prepaid insurance and amortized over the life of the policy.

### **Budgets and Budgetary Accounting**

The Housing Authority adopts a formal operating budget each year for its operating programs and on a project length basis for its' capital expenditures which are approved by the Board of Directors and submitted to the Department of Housing and Urban Development for their approval, if required.

### **Estimates and Assumptions**

The Housing Authority uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses.

## 1(d) Assets, Liabilities, and Equity (Continued)

### Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) is as follows:

In the financial statements, capital assets purchased or acquired with an original cost of \$1,500 or more. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets are recorded as an allocated expense depending on the program where the asset is shown, in the Statement of Revenues, Expenses, and Changes in Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings		40 years
Building improvements	5 -	40 years
Transportation equipment		5 years
Equipment	3 -	10 years
Furniture and fixtures	5 -	10 years

### Compensated Absences

#### Vacation

All full-time employees earn paid vacation leave after 6 months of employment. An employee may not begin to use vacation leave until they have been employed for six (6) months of continuous service. After completing six (6) months of full-time service, all vacation leave will be credited to the employee, who will be eligible to take such leave.

Full-time employees will earn vacation days at the following rate per year:

1 - 5	years of continuous service	12 days
6 - 10	years of continuous service	15 days
11 - 15	years of continuous service	20 days
16 - 20	years of continuous service	25 days
21	or more years of continuous service	30 days

The additional vacation days shown after five (5) years of continuous service shall begin on the first day of January, following the anniversary date of the employee's hiring or beginning date of full-time status. An employee's first vacation may be taken after the employee completes six (6) months of full-time service. All subsequent vacations shall be taken prior to the end of the calendar year.

## **1(d) Assets, Liabilities, and Equity (Continued)**

### **Compensated Absences (Continued)**

#### Vacation (Continued)

Vacation time not taken prior to the end of the calendar year will not be permitted to be carried forward to the next year or received payment for such unused leave. Upon termination from employment, employees will be paid for any unused vacation time.

Vacation pay will be made at the employees' current rate of pay.

#### Sick/Personal Leave

Sick leave with pay is intended to provide employees with protection against loss of salary during periods when they are required to be absent from work due to medical needs, illness or injury of themselves or family members. Full-time employees shall be allowed nine (9) sick days and three (3) personal days per calendar year. Sick leave and personal leave time not taken prior to the end of the calendar year will not be permitted to be carried forward to the next year. In no event shall an employee be paid for leave not taken.

### **Equity Classifications**

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

- a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. The Housing Authority had no related debt.
- b) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

## **1(e) Revenues, Expenditures, and Expenses**

### **Operating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *non operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of HUD. Operating expenses for the operating fund include the cost of administrative, tenant services, utilities, ordinary maintenance and operation, general, casualty losses, housing assistance payments, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

## **1(e) Revenues, Expenditures, and Expenses**

### **Interfund Transfers**

For the purposes of the Statement of Revenues, Expenses, and Changes in Net Assets, all interfund transfers between individual programs, if any, have been eliminated.

### **Post Employment Benefits**

The provision for pension cost is recorded on an accrual basis, and the Authority's policy is to fund pension costs as they accrue. The Housing Authority does not provide post employment benefits.

### **Income Taxes**

The Housing Authority is exempt from federal and state income taxes. The Housing Authority has no unrelated business income.

## **NOTE 2: Stewardship, Compliance, and Accountability**

The Housing Authority and its component units, if any, are subject to various Federal, state, and local laws and contractual regulations. An analysis of the Housing Authority's compliance with significant laws and regulations and demonstration of its stewardship over Housing Authority resources follows.

### **2(a) Program Accounting Requirements**

The Housing Authority complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Housing Authority are as follows:

<b>Program</b>	<b>Required By</b>
Public and Indian Housing Program	U.S. Department of HUD
Capital Fund Program	U.S. Department of HUD

Investments of the Housing Authority are limited by state law to the following:

- a) Direct obligations of the U.S. Government or its agencies or instrumentalities to which acceptable collateral is pledged.
- b) Certificates of deposit or savings accounts are either insured or secured with acceptable collateral.

In accordance with state law, all uninsured deposits of the Housing Authority in financial institutions must be secured with acceptable collateral valued at the lower of market or par. All financial institutions pledging collateral to the Housing Authority must have a written Depository Agreement. As reflected in Note 3(a), all deposits were fully insured or collateralized.

## 2(b) Revenue Restrictions

The Housing Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<i>Revenue Source</i>	<i>Legal Restrictions of Use</i>
Capital Fund Program	Modernization

For the year ended December 31, 2011, the Housing Authority complied, in all material respects, with these revenue restrictions.

### NOTE 3: Detail Notes on Transactions Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

#### 3(a) Cash and Investments

##### Deposits

The Housing Authority's policies regarding deposits of cash are discussed in Note 1(d). The table presented below is designed to disclose the level of custody credit risk assumed by the Housing Authority based upon how its deposits were insured or secured with collateral at December 31, 2011. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Housing Authority (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Housing Authority's name; or collateralized with no written or approved collateral agreement.

	Total Bank Balance	Custody Credit Risk			Total Carrying Value
		Category 1	Category 2	Category 3	
Demand deposits	\$ 49,196	\$ 49,196	\$ 0	\$ 0	\$ 10,380
Sweep account	142,939	142,939	0	0	142,939
Savings account	76,363	76,363	0	0	76,363
	<u>\$ 268,498</u>	<u>\$ 268,498</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 229,682</u>

### 3(a) Cash and Investments (Continued)

#### Investments

The Housing Authority's policies and applicable laws regarding investments are discussed in Note 1(d) and 2(b). The table presented below is designed to disclose the level of market risk and custody credit risk assumed by the Housing Authority (or public trust) based upon whether the investments are insured or registered and upon who holds the security at September 30, 2011. The categories of credit risk are defined as follows:

Category 1 – Insured or registered with securities held by the Housing Authority or its agent in the Housing Authority's name.

Category 2 – Uninsured and unregistered with securities held by counterparty's trust department or agent in the Housing Authority's name.

Category 3 – Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the Housing Authority's name.

	Custody Credit Risk			Carrying Amount	Fair Value
	Category 1	Category 2	Category 3		
Certificates of deposits	<u>\$ 266,505</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 266,505</u>	<u>\$ 266,505</u>

A reconciliation of cash as shown on the combined statement of net assets is as follows:

Cash on hand	\$ 150
Carrying amount of deposits	229,682
Investments	266,505
Total	<u>\$ 496,337</u>

Cash and investments:	
Enterprise activities	\$ 535,153
Enterprise activities – deposits in transit	0
Enterprise activities – checks written in excess of deposits	(38,816)
Total	<u>\$ 496,337</u>

#### 3(b) Receivables

Receivables detail at December 31, 2011, is as follows:

Accounts receivable-HUD-capital funds	\$ 8,691
Tenant accounts receivable	5,509
Allowance for doubtful accounts	(2,513)
Accrued interest receivable	1,416
	<u>\$ 13,103</u>

### 3(c) Prepaid Expenses and Other Assets

Prepaid detail at December 31, 2011, is as follows:

Prepaid insurance	\$	45,141
Deferred charges		5,914
	\$	<u>51,055</u>

### 3(d) Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	<u>Balance 12/31/10</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Balance 12/31/11</u>
<b>Low Rent Program</b>				
Land	\$ 826,661	\$ 0	\$ 0	\$ 826,661
Buildings	8,885,834	521,505	0	9,407,339
Furniture, equipment & machinery - Administration	227,744	2,880	0	230,624
Construction in progress	421,893	0	(421,893)	0
	<u>10,362,132</u>	<u>\$ 524,385</u>	<u>\$ (421,893)</u>	<u>10,464,624</u>
Less accumulated Depreciation	<u>(5,642,363)</u>	<u>\$ (426,322)</u>	<u>\$ 0</u>	<u>(6,068,685)</u>
Total	<u>\$ 4,719,769</u>			<u>\$ 4,395,939</u>

Depreciation expense was charged to functions/programs of the government as follows:

Business-type activities:	
Low Rent Program	<u>\$ 426,322</u>

### 3(e) Accounts Payable

Payable detail at December 31, 2011, is as follows:

Accounts payable-trade	\$ 12,354
Accounts payable-other government-PILOT	25,254
	<u>\$ 37,608</u>

### 3(f) Accrued Expenses

Accrued expense detail at December 31, 2011, is as follows:

Accrued wages/payroll taxes payable	<u>\$ 32</u>
-------------------------------------	--------------

### 3(g) Deferred Revenue

Deferred revenue detail at December 31, 2011, is as follows:

Tenant prepaid rent	<u>\$ 6,657</u>
---------------------	-----------------

### 3(h) Inter program Transactions and Balance

#### *Equity Transfers*

There was an equity transfer of \$670,027 from the capital fund program to the Low Rent Program.

#### *Operating Transfers*

There was an operating transfer of \$5,365 from the capital fund program to the low rent program during the fiscal year ended December 31, 2011.

#### *Inter program Receivable/Payable*

There were no inter program receivables or payables.

### 3(i) Notes Payable

The Housing Authority has an energy savings project loan. The details are set forth below:

<u>Lender</u>	<u>Rate</u>	<u>Due Date</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
FifthThird Bank	5.0%	04/01/15	<u>\$ 31,565</u>	<u>\$ 114,022</u>	<u>\$ 145,587</u>

Debt service requirements for the long term debt for the next five years are as follows:

<u>Due Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 31,565	\$ 5,008
2013	43,937	4,828
2014	46,148	2,616
2015	23,937	444
2016	0	0

## NOTE 4: Other Notes

### 4(a) Employee Retirement Plans

The Housing Authority contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issued a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants.

The Housing Authority contributed \$14,972 in the fiscal year ending December 31, 2011.

### 4(b) Risk Management

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Housing Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

## 4) Commitments and Contingencies

### Commitments – Construction

At December 31, 2011, the Housing Authority had the following pending construction projects in progress:

	<b>LOCCS Authorized</b>	<b>LOCCS Disbursed</b>
2009 CFP	\$ 262,138	\$ 262,138
2010 CFP	260,168	260,168
2011 CFP	224,225	45,231
2012 CFP	187,737	0

### Contingencies

The Housing Authority is subject to possible examination by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Housing Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

**SUPPLEMENTARY INFORMATION**

**Housing Authority of the City of Angola**  
**Financial Data Schedule**  
**Year Ended December 31, 2011**

FDS Line Item No.		Low Rent Program
	<b>ASSETS</b>	
	Current assets:	
111	Cash-unrestricted	\$ 203,387
114	Cash-tenant security deposit	26,445
100	Total cash	<u>229,832</u>
	Receivables:	
122	Accounts receivable-HUD-capital fund	8,691
126	Accounts receivable-tenants	5,509
126.1	Allowance for doubtful accounts	(2,513)
129	Accrued interest receivable	1,416
120	Total receivables, net	<u>13,103</u>
	Investments:	
131	Investments-unrestricted	<u>266,505</u>
	Other Current Assets:	
142	Prepaid expenses	51,055
143	Inventories	26,421
143.1	Allowance for obsolete inventories	(2,642)
150	Total current assets	<u>584,274</u>
	Noncurrent Assets:	
	Fixed Assets:	
161	Land	826,661
162	Buildings	9,407,339
164	Furniture, equipment & machinery-administration	230,624
166	Accumulated depreciation	(6,068,685)
160	Total fixed assets, net	<u>4,395,939</u>
180	Total non-current assets	<u>4,395,939</u>
190	Total Assets	<u>\$ 4,980,213</u>

**Housing Authority of the City of Angola**  
**Financial Data Schedule**  
(Continued)  
**Year Ended December 31, 2011**

FDS Line Item No.		Low Rent Program
	<b>LIABILITIES and NET ASSETS</b>	
	Liabilities:	
	Current liabilities:	
312	Accounts payable	\$ 12,354
321	Accrued wage/payroll taxes payable	32
333	Accounts payable-other government	25,254
341	Tenant security deposits	26,445
342	Deferred revenues	6,657
343	Current portion of long-term debt	31,565
310	Total current liabilities	<u>102,307</u>
	Noncurrent liabilities:	
351	Long-term debt, net of current	<u>114,022</u>
300	Total liabilities	<u>216,329</u>
	Net assets:	
508.1	Invested in capital assets	4,250,352
512.1	Unrestricted net assets	<u>513,532</u>
513	Total net assets	<u>4,763,884</u>
	 Total Liabilities and Net Assets	 <u><u>\$ 4,980,213</u></u>

**Housing Authority of the City of Angola**  
**Financial Data Schedule**  
(Continued)  
**Year Ended December 31, 2011**

FDS Line Item No.		Low Rent Program 14.850
	<b>Revenues</b>	
70300	Net tenant rental revenue	\$ 341,637
70400	Tenant revenue-other	18,979
70500	Total tenant revenue	<u>360,616</u>
70600	HUD PHA operating grants	369,580
70610	Capital grants	0
71100	Investment income-unrestricted	5,785
71500	Other income	9,447
70000	Total revenue	<u>745,428</u>
	<b>Expenses</b>	
	Administrative:	
91100	Administrative salaries	132,373
91200	Auditing fees	3,100
91400	Advertising and marketing	2,144
91500	Employee benefit contributions	63,592
91600	Office expenses	24,170
91700	Legal expense	2,400
91800	Travel	10,346
91900	Other	31,286
91000	Total operating-administrative	<u>269,411</u>
	Tenant Services:	
92400	Other	<u>4,450</u>
	Utilities:	
93100	Water	7,963
93200	Electricity	47,806
93300	Gas	20,100
93600	Sewer	16,654
93000	Total utilities	<u>92,523</u>
	Maintenance:	
94100	Labor	95,675
94200	Materials and other	57,273
94300	Contracts	97,954
94500	Employee benefit contribution	50,609
94000	Total maintenance	<u>301,511</u>

Public Housing Capital Fund Program 14.872		Totals	
\$	0	\$	341,637
	0		18,979
	0		360,616
	5,365		374,945
	75,632		75,632
	0		5,785
	0		9,447
	80,997		826,425
	0		132,373
	0		3,100
	0		2,144
	0		63,592
	0		24,170
	0		2,400
	0		10,346
	0		31,286
	0		269,411
	0		4,450
	0		7,963
	0		47,806
	0		20,100
	0		16,654
	0		92,523
	0		95,675
	0		57,273
	0		97,954
	0		50,609
	0		301,511

**Housing Authority of the City of Angola**  
**Financial Data Schedule**  
**(Continued)**  
**Year Ended December 31, 2011**

		Low Rent Program <u>14,850</u>
	<b>Expenses (continued):</b>	
	Insurance:	
96110	Property insurance	28,442
96120	Liability insurance	6,419
96130	Workmen's compensation	3,329
96140	All other insurance	<u>7,498</u>
96100	Total insurance premiums	<u>45,688</u>
	Other general expenses:	
96200	Other general expenses	22,495
96210	Compensated absences	13,326
96300	Payments in lieu of taxes	25,546
96400	Bad debt-tenant rents	<u>6,781</u>
96000	Total other general expenses	<u>68,148</u>
96720	Interest on notes payable	<u>8,445</u>
96700	Total interest expense	<u>8,445</u>
96900	Total operating expenses	<u>790,176</u>
97000	Excess revenue over operating expenses	<u>(44,748)</u>
	Other expenses:	
97400	Depreciation expense	<u>411,651</u>
90000	Total expenses	<u>1,201,827</u>
10010	Operating transfer in	5,365
10020	Operating transfer out	<u>0</u>
10100	Total other financing sources (uses)	<u>5,365</u>
10000	Excess (deficiency) of revenue over(under) expenses	(451,034)
11030	Beginning equity	4,606,549
11040	Equity transfer	<u>670,027</u>
	Ending equity	<u>\$ 4,825,542</u>
11190	Unit months available	1,964
11210	Unit months leased	1,907

Public Housing Capital Fund Program 14.872	Totals
0	28,442
0	6,419
0	3,329
0	7,498
<u>0</u>	<u>45,688</u>
0	22,495
0	13,326
0	25,546
0	6,781
<u>0</u>	<u>68,148</u>
0	8,445
<u>0</u>	<u>8,445</u>
0	790,176
<u>80,997</u>	<u>36,249</u>
14,671	426,322
<u>14,671</u>	<u>1,216,498</u>
0	5,365
<u>(5,365)</u>	<u>(5,365)</u>
<u>(5,365)</u>	<u>0</u>
60,961	(390,073)
547,408	5,153,957
<u>(670,027)</u>	<u>0</u>
<u>\$ (61,658)</u>	<u>\$ 4,763,884</u>

Barry E. Gaudette, CPA, PC  
731 S. Garfield Avenue  
Traverse City, Michigan 49686

**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 Directors  
Housing Authority of the City of Angola  
Angola, Indiana

I have audited the financial statements of the business-type activities of Housing Authority of the City of Angola, Indiana, (Housing Authority) as of and for the year ended December 31, 2011, and have issued my report thereon dated May 8, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

This report is intended solely for the information and use of management, Board of Directors, others within the entity, the Indiana Department of Treasury, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

***Barry E. Gaudette, CPA, PC***

May 8, 2012