



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B42758

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 3, 2013

Board of Directors
Fremont Housing Authority
3160 Spring Street
Fremont, IN 46737

We have reviewed the audit report prepared by Pamela J. Simpson, Independent Public Accountant, for the period April 1, 2010 to March 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 Fremont Housing Authority, as of March 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

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED MARCH 31, 2011

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

TABLE OF CONTENTS

Auditor's Report	1
Management's Discussion and Analysis	3
FINANCIAL STATEMENTS	
Statement of Net Assets as of March 31, 2011	8
Statement of Revenue, Expenses and Changes in Net Assets - Proprietary Funds Twelve Months Ended March 31, 2011	9
Statement of Cash Flows - Twelve Months Ended March 31, 2011	10
Notes to Financial Statements	12
SUPPLEMENTAL DATA	
Schedule of Expenditure of Federal Awards	22
PHA's Statement and Certification of Actual Modernization Cost - Phase IN36P085501-04	23
Phase IN36P085501-05	24
Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	25
Status of Prior Audit Findings	27
Schedule of Findings and Questioned Costs - Summary	28
Current Findings, Recommendations and Replies	29
Financial Data Schedule - REAC Electronic Submission	30

Independent Auditor's Report

Board of Commissioners
Fremont Housing Authority
Fremont, Indiana

I have audited the accompanying financial statements of the Fremont Housing Authority, as of and for the year ended March 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Fremont Housing Authority's management. My responsibility is to express opinions 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 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 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 in the first paragraph present fairly, in all material respects, the financial position of Fremont Housing Authority, as of March 31, 2011 and the respective changes in financial position and cash flows for the year end in conformity with accounting principles generally accepted in the United States of America.

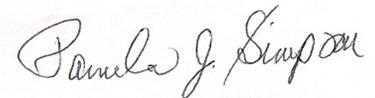
In accordance with *Government Auditing Standards*, I have also issued my report dated November 17, 2011 on my consideration of the Fremont Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements with 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 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 State of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 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 on 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 systems. I do not express an opinion or provide any assurance on the information because the limited procedure 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 collectively comprise Fremont Housing Authority's basic financial statements. The 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 also not a required part of the basic financial statements of the Fremont Housing Authority. The accompanying financial data schedule and other additional statements and schedules listed as supplemental data in the table of contents has been subjected to the auditing procedures and certain 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 basic financial statements as a whole.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fremont Housing Authority's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, I do not express an opinion or provide any assurance on it.

Decatur, Illinois
November 17, 2011



Certified Public Accountant

**FREMONT HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

3

As management of the Fremont Housing Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2011. We encourage readers to consider the information presented in conjunction with the Housing Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Fremont Housing Authority, P. O. Box 189, Fremont, Indiana, (260) 495-2422.

FINANCIAL HIGHLIGHTS

The Authority's unrestricted cash balance at March 31, 2011 was \$96,617, representing an increase of \$29,557 from March 31, 2010.

The total assets were \$1,197,755 at the fiscal year ending March 31, 2011, an increase of \$37,733.

The Authority had total revenues of \$267,487, comprised of Department of Housing and Urban Development (HUD) operating subsidy of \$72,967, Capital Grants of \$95,054, tenant income of \$94,103, interest income of \$815 and other income of \$4,548 for the year ended March 31, 2011.

The Authority had General Fund Investments a total of \$266,624 at the fiscal year ended March 31, 2011, a decrease of \$4,022.

During fiscal year ended March 31, 2011 capital fund grant 501-06 was completed.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Assets – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses, and Changes in Fund Net Assets – reports the Authority's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows – reports the Authority's cash flows from operating, investing, capital and non-capital activities.

Future Events (New Business)

There are no future events planned by the Authority during the fiscal year ending March 31, 2012 that will significantly affect the Authority's Net Assets either positively or negatively.

**FREMONT HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

4

CONDENSED COMPARATIVE FINANCIAL STATEMENTS

Analysis of Entity Wide Net Assets

Total Assets for FYE 2011 was \$1,197,755 and at FYE 2010 the amount was \$1,160,022. This represents a net increase of \$37,733.

Cash increased by \$29,189 or 40% due to basic operations and increased funding.

Other Current Assets increased by \$85.

Capital Assets increased by \$8,459. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities increased by \$918.

The table below illustrates our analysis:

	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>Percent Variances</u>
Cash	101,997	72,808	29,189	40%
Other Current Assets	273,684	273,599	85	0%
Capital Assets	822,074	813,615	8,459	1%
Total Assets	<u>1,197,755</u>	<u>1,160,022</u>	<u>37,733</u>	<u>3%</u>
Current Liabilities	20,242	19,324	918	5%
Noncurrent Liabilities	0	0	0	0%
Total Liabilities	<u>20,242</u>	<u>19,324</u>	<u>918</u>	<u>5%</u>
Net Invested in Capital Assets	822,074	813,615	8,459	1%
Unrestricted Net Assets	355,439	327,083	28,356	9%
Total Net Assets	<u><u>1,177,513</u></u>	<u><u>1,140,698</u></u>	<u><u>36,815</u></u>	<u><u>3%</u></u>

**FREMONT HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011
ANALYSIS OF ENTITY WIDE REVENUES**

(Statement of Activities)

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2010 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Low Income Public Housing	\$165,994
Capital Fund Grant Program	\$48,154
A.R.R.A. - Formula Capital Stimulus Grant	\$53,339

Total revenues for Fiscal Year Ending March 31, 2011 were \$267,487 as compared to the total revenues for Fiscal Year Ending March 31, 2010 of \$158,219. Comparatively, FYE 2011 revenues were more than FYE 2010 revenues by \$109,268 due to increases in rents and grants.

	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>Percent Variances</u>
Tenant Revenue	94,103	82,366	11,737	14%
HUD Operating Grants	72,967	65,088	7,879	12%
HUD Capital Grants	95,054	5,775	89,279	1546%
Investment Income	815	1,378	(563)	-41%
Other Revenue	4,548	3,612	936	26%
Total Revenue	<u>\$267,487</u>	<u>\$158,219</u>	<u>\$109,268</u>	<u>69%</u>

**FREMONT HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011**

6

ANALYSIS OF ENTITY WIDE EXPENDITURES

Total Expenditures for Fiscal Year Ending March 31, 2011 were \$230,672 as compared to \$226,920 of total expenditures for Fiscal Year Ending March 31, 2010. Comparatively, Fiscal Year Ending 2011 expenditures were more than Fiscal Year Ending 2010 expenditures by \$3,752. Changes by major expense category will be presented below.

Administrative expenditures increased only \$2,604.

Tenant Services increased by \$25.

Utilities increased by \$204 due to normal decreases in utility costs and fluctuations in usage.

Maintenance expenditures decreased by \$2,992 or 7%. This was due to decreases in materials needed and contracts costs.

General Expenses increased \$1,288 or 6% due to increase in PILOT.

The table below illustrates our analysis:

	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>Percent Variances</u>
Administrative	62,769	60,165	2,604	4%
Tenant Services	950	925	25	3%
Utilities	14,436	14,232	204	1%
Maintenance Expense	39,403	42,395	-2,992	-7%
General Expense	21,204	19,916	1,288	7%
Depreciation Expense	91,910	89,287	2,623	3%
Total Expenses	<u>\$230,672</u>	<u>\$226,920</u>	<u>\$3,752</u>	<u>2%</u>

FREMONT HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2011
BUDGETARY ANALYSIS

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public housing is adopted on the basis of accounting prescribed by the Housing and Urban Development, which differs in some respects from generally accepted accounting principles.

The Authority prepares a budget for each fiscal year of Capital Fund Grant Program that is approved. The Authority is permitted four years to expend these funds. Income is only recognized as funds are expended. For the purposes of this analysis, the amount budgeted is equal to the actual expense.

ANALYSIS OF CAPITAL ASSET ACTIVITY

	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>Percent Variances</u>
Land	22,000	22,000	0	0%
Buildings	2,194,614	2,118,438	76,176	4%
Furniture & Equipment-Dwellings	29,346	29,336	10	0%
Furniture & Equipment-Admin	17,471	17,432	39	0%
Leasehold improvements	43,417	20,206	23,211	115%
Total Fixed Assets	<u>2,306,848</u>	<u>2,207,412</u>	<u>99,436</u>	<u>5%</u>
Accumulated Depreciation	-1,484,774	-1,393,797	90,977	0%
Net Fixed Assets	<u><u>822,074</u></u>	<u><u>813,615</u></u>	<u><u>8,459</u></u>	<u><u>1%</u></u>

OUTSTANDING DEBT

The Housing authority had no debt outstanding at the end of 2010 or 2011.

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
AS OF MARCH 31, 2011**

ASSETS

CURRENT ASSETS

Cash	\$ 96,617
Security deposit cash	5,380
Accrued interest receivable	9
Investments	266,624
Deferred charges	<u>7,051</u>
 Total Current Assets	 <u>\$ 375,681</u>

CAPITAL ASSETS

Land, buildings and equipment	\$ 2,306,848
Less: Accumulated depreciation	<u>-1,484,774</u>
 Net Capital Assets	 <u>\$ 822,074</u>
 Total Assets	 <u>\$ 1,197,755</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 7,841
Accrued liabilities	<u>12,401</u>
 Total Current Liabilities	 <u>\$ 20,242</u>

NET ASSETS

Invested in capital assets	\$ 822,074
Unrestricted	<u>355,439</u>
 Total Net Assets	 <u>\$ 1,177,513</u>

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
TWELVE MONTHS ENDED MARCH 31, 2011**

Operating Income

Tenant rental revenue	\$ 94,103
Total Rental Revenue	\$ 94,103
HUD grants - operating	72,967
Other revenue	4,583
Gain loss on sale of capital assets	<u>-35</u>
Total Operating Income	<u>\$ 171,618</u>

Operating Expenses

Administration	\$ 62,769
Tenant services	950
Utilities	14,436
Ordinary maintenance and operation	39,403
General expense	21,204
Depreciation	<u>91,910</u>
Total Operating Expenses	<u>\$ 230,672</u>
Net Operating Income (Loss)	\$ -59,054

Nonoperating Income (Expense)

Interest income	815
-----------------	-----

Capital Contributions

Capital fund grants	<u>95,054</u>
Total Nonoperating Income (Expense)	<u>\$ 95,869</u>
Changes in net assets	\$ 36,815
Net assets, beginning of year	<u>1,140,698</u>
Net assets, end of year	<u><u>\$ 1,177,513</u></u>

The notes to financial statements are an integral part of this statement.

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED MARCH 31, 2011**

Operating Activities

Operating grants	\$ 72,967
Tenant revenue	94,103
Other revenue	4,548
Payments to employees	-53,999
Payments to suppliers and contractors	<u>-83,335</u>

Net Cash Provided (Used) by Operating Activities \$ 34,284

Investing Activities

Investments (purchased) redeemed	\$ -249
Interest income	<u>837</u>

Net Cash Provided (Used) by Investing Activities \$ 588

Capital and Related Financing Activities

Capital fund grants	\$ 95,054
(Additions) deletions of fixed assets	<u>-100,369</u>

Net Cash Provided (Used) by
Capital and Related Financing Activities \$ -5,315

Net Change in Cash \$ 29,557

Cash Balance at March 31, 2010 67,060

Cash Balance at March 31, 2011 \$ 96,617

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED MARCH 31, 2011**

Reconciliation of Operating Income (Loss) to Net Cash
Provided (Used) by Operating Activities

Net operating income (loss)	\$ -59,054
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	91,910
(Increase) decrease in deferred charges	510
Increase (decrease) in accounts payable	-1,283
Increase (decrease) in accrued liabilities	<u>2,201</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 34,284</u>

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

NOTES TO FINANCIAL STATEMENTS

TWELVE MONTHS ENDED MARCH 31, 2011

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Fremont Housing Authority was established by the City of Fremont pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Housing Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other applicable Federal Agencies.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) had direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into a contract with the Authority for the purpose of assisting in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the program for the purpose of maintaining its low-rent character.

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

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

Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Fremont Housing Authority is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

(b) Method of Accounting -

Prior to April 1, 1999, the records of the Housing Authority were maintained on an accrual basis in accordance with the accounting procedures prescribed by the Department of Housing and Urban Development as outlined in the Low-Rent Housing, Accounting Handbook, HM 7510.1. These practices differ in some respects from generally accepted accounting principles. As of October 1, 1998, the Department of Housing and Urban Development mandated that all housing authorities prepare financial statements in conformity with generally accepted accounting principles (GAAP).

The Housing Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case, GASB prevails.

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(c) Financial Statement Presentation

Although no formal policy has been adopted, the Authority distinguishes operating revenues and expenses from non-operating items when preparing financial statements. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, maintenance, insurance, depreciation, utilities and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

(d) Funds -

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

- * Low Rent Public Housing
- * Capital Fund Program
- * A.R.R.A. - Formula Capital Fund Stimulus Grant

These programs are all accounted for within the 'Proprietary' (enterprise) fund as described below:

Proprietary Fund Types:

Proprietary funds use the economic resources measurement focus and utilize the accrual basis of accounting. All assets and liabilities associated with a proprietary fund's activities are included on the fund statement. Proprietary fund equity is segregated into Invested in Capital Assets Net of Related Debt, Restricted Net Assets and Unrestricted Net Assets.

(e) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Housing Authority considers all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of 1 month or less when purchased to be cash equivalents. This is the practice followed by the Housing Authority, although no formal policy has been adopted.

(f) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at March 31, 2011, and does not take into consideration prepaid amounts. The Housing Authority provides for an allowance for doubtful accounts, based on the estimated collections of current accounts receivables. The Housing Authority periodically writes off uncollectible accounts receivable to the allowance account based on a review of the current status of existing receivables and the determination that the receivable will not be collected.

(g) Investments -

Investments are stated at cost which approximates market.

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(h) Fixed Assets -

For the purpose of determining, distinguishing and recording materials and non-expendable equipment and personal property purchased or acquired in connection with development, management, and maintenance of public housing developments owned or operated, the Housing Authority follows the following capitalization policy:

If the initial cost of a piece of equipment and/or other personal property is five hundred dollars (\$500) or more and the anticipated life or useful life of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

Land, buildings and equipment contains the following:

- 1) The total development construction costs incurred for each project at the end of the initial operating period,
- 2) nonexpendable equipment, and
- 3) property betterments and additions
- 4) land acquisitions.

These are recorded at cost. Depreciation of property and equipment is provided using the straight line method for financial reporting purposes at rates based on the following estimates:

Buildings	40	years
Equipment	3 - 10	years

(i) Net Assets -

GASB Statement 34 requires the classification of net assets into three components as defined below:

- 1) Invested in capital assets, net of related debt - this component of net assets consists of capital assets, net of accumulated depreciation, costs to be recovered from future revenues and unamortized debt expense reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 2) Restricted - this component of net assets consist of constraints placed on net assets use through external constraints imposed by creditors, contributors or laws and regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted - this component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(j) Income Tax -

The Authority, organized as a non-profit corporation subsidized by the Federal government, is exempt from Federal and State income taxes.

(k) Annual Contributions/Subsidies and Other Grants

Annual contributions and subsidies received from the Department of HUD are recorded as grant revenues.

Other grants (such as CFP grants) are recognized when program expenditures are incurred. Such revenue is subject to review by the Department of Housing and Urban Development and may result in disallowance in subsequent periods.

(l) The Housing Authority adopts a budget annually. The budget is approved by the Board of Commissions. Subsequent budget revisions must also be approved.

(m) The preparation of financial statements in conformity with generally accepted accounting principles require the Housing Authority to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(n) Leasing activities (as lessor) - the Authority is the lessor of dwelling units mainly to low income and/or elderly and disabled residents. The rents under the lease are determined generally by the resident's income as adjusted by eligible deductions regulated by HUD, although the resident may elect for a flat rent option. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

(o) Rental income is recognized as rents become due.

(p) At any time during the year and at year end, there are construction projects in process. These projects include modernizing rental units. The projects are funded by HUD and funds are requested periodically as costs are incurred.

Note 2 - Cash and Investments

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

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

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

Custodial Credit Risk

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

Credit Risk Investments, Concentration of Credit Risk and Interest Rate Risks - Investments

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

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

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

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1 - Deposits which are insured or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.
- Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name.
- Category 3 - Deposits which are not collateralized or insured.

Based on the three levels of risk, all of the Housing Authority's funds are classified as Category 1.

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Low Rent	<u>\$ 96,617</u>	<u>\$ 102,712</u>

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

Similar to cash deposits, investments held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 - Investments that are insured, registered or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.
- Category 2 - Investments which are uninsured and unregistered held by the counter-party's trust department or agent in the Housing Authority's name.
- Category 3 - Uninsured or unregistered investments held by the counter-party, its trust or its agent, but not in the Housing Authority's name.

Based on the three levels of risk, all of the Housing Authority's investments are classified as Category 1.

<u>Program</u>	<u>Book Balance</u>	<u>Market Value</u>
Low Rent	\$ 272,004	\$ 272,004

Note 3 - Compensated Absences

Vacation leave with pay shall be earned by all regular full time employees at specified rates. Employees may accrue vacation leave up to twenty working days maximum. An employee who is permanently separated shall be paid in a lump sum for any accumulated vacation leave at his current rate of pay, except where his dismissal is due to malfeasance. Employees may be paid for leave taken because of illness. Sick leave may be accumulated at the rate of one day per month, with a maximum accumulation not to exceed 30 days. In no event shall an employee be paid for sick leave not taken.

Note 4 - Defined Contribution Plan

The PHA funds a SEP-IRA plan with Farm Bureau Insurance Company for the Executive Director. The contribution is approved annually. A contribution of \$4,956 was made in the current year.

Note 5 - Investments

At March 31, 2011 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Savings - security deposits	.03%	\$ 5,380	\$ 5,380
Certificates of deposit	.05-.25%	266,624	266,624
		<u>\$ 272,004</u>	<u>\$ 272,004</u>

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 6 - Deferred Charges

This classification includes the following accounts:

Prepaid insurance	\$ <u>7,051</u>
-------------------	-----------------

Note 7 - Fixed Assets

Balance as of March 31, 2011	\$ 822,074
------------------------------	------------

Balance as of March 31, 2010	<u>813,615</u>
------------------------------	----------------

Net Increase (Decrease)	\$ <u>8,459</u>
-------------------------	-----------------

Reconciliation

Additions	\$ 100,369
-----------	------------

Current year depreciation expense	<u>-91,910</u> *
-----------------------------------	------------------

Net Increase (Decrease)	\$ <u>8,459</u>
-------------------------	-----------------

Analysis

	04/01/2010 <u>Balance</u>	Additions/ <u>Transfers</u>	Deletions/ <u>Transfers</u>	03/31/2011 <u>Balance</u>
Land	\$ 22,000	\$ 0	\$ 0	\$ 22,000
Buildings	2,118,438	76,176	0	2,194,614
Equipment and furniture	46,768	1,017	968	46,817
Leasehold improvements	<u>20,206</u>	<u>23,211</u>	<u>0</u>	<u>43,417</u>
Total	\$ 2,207,412	\$ 100,404	\$ 968	\$ 2,306,848
Accumulated depreciation	<u>-1,393,797</u>	<u>-91,910</u> *	<u>-933</u>	<u>-1,484,774</u>
Net Assets	<u>\$ 813,615</u>	<u>\$ 8,494</u>	<u>\$ 35</u>	<u>\$ 822,074</u>

*Current year depreciation expense recognized.

Note 8 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 1,579
-------------------------	----------

Accrued liabilities - other	882
-----------------------------	-----

Tenants security deposits	<u>5,380</u>
---------------------------	--------------

Total	\$ <u>7,841</u>
-------	-----------------

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 9 - Notes Payable

On August 4, 1987, the U.S. Department of Housing and Urban Development (HUD) issued notice PIH 87-212 to implement the provisions of the Housing and Community Development Reconciliation Amendments of 1985 (PL 99-272, enacted April 7, 1986). This notice states, in part, the following:

Project debt to HUD (HUD-held notes) will be forgiven after a debt forgiveness amendment to the consolidated Annual Contributions Contract has been executed by HUD and the Public Housing Authority and after the Actual Development Cost Certificate has been included in an audit and approved.

As a part of the HUD mandated GAAP conversion and the above referenced notice, all HUD-held notes were recorded as debt forgiveness during a prior fiscal year.

Note 10 - Accrued Liabilities

Accrued liabilities consists of the following:

Accrued compensated absences	\$ 3,387
Accrued wages/payroll tax payable	1,047
Payment in lieu of taxes	<u>7,967</u>
 Total	 <u>\$ 12,401</u>

Note 11 - Contingencies

Federal Grants

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

Note 12 - Activities of the PHA

The Housing Authority had 40 units in management at March 31, 2011.

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2011
(CONTINUED)**

Note 13 - Contracts/Commitments

As of March 31, 2011, the Housing Authority had entered into the following pending construction projects in progress:

	<u>Funds Approved</u>	<u>Funds Expended To Date</u>
CFP-501-07	\$ 45,610	\$ 0
CFP-501-08	49,071	0
CFP-501-09	48,465	0
Stimulus Grant 501-09	<u>62,114</u>	<u>5,914</u>
Total	<u>\$ 205,260</u>	<u>\$ 5,914</u>

Note 14 - Risk Management

The Housing Authority carries commercial insurance coverage to cover exposure and the risk of losses related to torts, thefts, damages, destruction of assets, errors and omissions, injuries, natural disasters and defalcation.

For insured programs there has been no significant reduction in insurance coverage. Settled claims have not exceeded insurance coverage in the current or past three years.

Note 15 - Economic Dependency

The Housing Authority received a significant portion of its revenue (63%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

SUPPLEMENTAL DATA

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2011**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Grant Period</u>	<u>Program Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of HUD</u>						
Direct Programs:						
Public and Indian Housing	14.850a	C-2084	FYE 03/31/11	\$ 66,528	\$ 66,528	\$ 66,528
Public Housing - Capital Fund	14.872	C-2084	FYE 03/31/11	\$ 191,300	\$ 48,154	\$ 48,154
A.R.R.A. - Formula Capital Fund Stimulus Grant	14.885	C-2084	FYE 03/31/11	\$ 62,114	\$ 53,339	\$ 53,339
Total Housing Assistance				<u>\$ 319,942</u>	<u>\$ 168,021</u>	<u>\$ 168,021</u>

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P085501-04**

1. The Actual Modernization Costs of Phase IN36P085501-04 are as follows:

Funds approved	\$ 51,114
Funds expended	<u>51,114</u>
Excess of Funds Approved	<u><u>0</u></u>
Funds advanced	
Grants	\$ 51,114
Funds expended	<u>51,114</u>
Excess of Funds Advanced	<u><u>0</u></u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated March 31, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P085501-05**

1. The Actual Modernization Costs of Phase IN36P085501-05 are as follows:

Funds approved	\$ 48,779
Funds expended	<u>48,779</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Grants	\$ 48,779
Funds expended	<u>48,779</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated March 31, 2011, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.



**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
Fremont Housing Authority
Fremont, Indiana

I have audited the financial statements of Fremont Housing Authority as of and for the year ended March 31, 2011, and have issued my report thereon dated November 17, 2011. 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 Fremont 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 Fremont Housing Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Fremont 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 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 Fremont Housing Authority's financial statements are free of material misstatement, 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 statement 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*.

I noted certain matters that I reported to management of Fremont Housing Authority in a separate letter dated November 17, 2011.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, and Department of Housing and Urban Development and other Federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Decatur, Illinois
November 17, 2011



Certified Public Accountant

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended March 31, 2010 contained no findings.

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY
FOR THE TWELVE MONTHS ENDED MARCH 31, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report: Unqualified

* Material weakness(es) identified? _____ yes X_____ no

* Significant deficiency (ies) identified? _____ yes X_____ none reported

Noncompliance material to financial statements noted? _____ yes X_____ no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified? _____ yes X_____ no

* Significant deficiency (ies) identified? _____ yes X_____ none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	NONE

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

Auditee qualified as low-risk auditee? X_____ yes _____ no

**FREMONT HOUSING AUTHORITY
FREMONT, INDIANA**

CURRENT FINDINGS AND RECOMMENDATIONS

Section II - Financial Statement Audit Findings

There were no financial statement audit findings discussed with Jerry Foster, Executive Director during the audit or at an exit conference held November 17, 2011.

Section III - Federal Awards Audit Findings and Questioned Costs

There were no federal awards audit findings or questioned costs discussed with Jerry Foster, Executive Director during the audit or at an exit conference held November 17, 2011.

Fremont Housing Authority (IN085)

Fremont, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 03/31/2011

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Total
111 Cash - Unrestricted	\$96,617		\$96,617	\$96,617
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$5,380		\$5,380	\$5,380
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$101,997	\$0	\$101,997	\$101,997
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants				
126.1 Allowance for Doubtful Accounts - Tenants				
126.2 Allowance for Doubtful Accounts - Other				
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable	\$9		\$9	\$9
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$9	\$0	\$9	\$9
131 Investments - Unrestricted	\$266,624		\$266,624	\$266,624
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$7,051		\$7,051	\$7,051
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$375,681	\$0	\$375,681	\$375,681
161 Land	\$22,000		\$22,000	\$22,000
162 Buildings	\$2,194,614		\$2,194,614	\$2,194,614
163 Furniture, Equipment & Machinery - Dwellings	\$29,346		\$29,346	\$29,346
164 Furniture, Equipment & Machinery - Administration	\$17,471		\$17,471	\$17,471
165 Leasehold Improvements	\$43,417		\$43,417	\$43,417
166 Accumulated Depreciation	-\$1,484,774		-\$1,484,774	-\$1,484,774
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$822,074	\$0	\$822,074	\$822,074
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$822,074	\$0	\$822,074	\$822,074
190 Total Assets	\$1,197,755	\$0	\$1,197,755	\$1,197,755

Fremont Housing Authority (IN085)

Fremont, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 03/31/2011

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$1,579		\$1,579	\$1,579
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$1,047		\$1,047	\$1,047
322 Accrued Compensated Absences - Current Portion	\$3,387		\$3,387	\$3,387
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$7,967		\$7,967	\$7,967
341 Tenant Security Deposits	\$5,380		\$5,380	\$5,380
342 Deferred Revenues				
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other	\$882		\$882	\$882
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$20,242	\$0	\$20,242	\$20,242
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current				
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300 Total Liabilities	\$20,242	\$0	\$20,242	\$20,242
508.1 Invested In Capital Assets, Net of Related Debt	\$822,074		\$822,074	\$822,074
509.2 Fund Balance Reserved				
511.2 Unreserved, Designated Fund Balance				
511.1 Restricted Net Assets				
512.1 Unrestricted Net Assets	\$355,439	\$0	\$355,439	\$355,439
512.2 Unreserved, Undesignated Fund Balance				
513 Total Equity/Net Assets	\$1,177,513	\$0	\$1,177,513	\$1,177,513
600 Total Liabilities and Equity/Net Assets	\$1,197,755	\$0	\$1,197,755	\$1,197,755

Fremont Housing Authority (IN085)
Fremont, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 03/31/2011

	Project Total	14,885 Formula Capital Fund Stimulus Grant	Subtotal	Total
70300 Net Tenant Rental Revenue	\$94,103		\$94,103	\$94,103
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$94,103	\$0	\$94,103	\$94,103
70600 HUD PHA Operating Grants	\$70,967	\$2,000	\$72,967	\$72,967
70610 Capital Grants	\$43,715	\$51,339	\$95,054	\$95,054
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$815		\$815	\$815
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$4,583		\$4,583	\$4,583
71600 Gain or Loss on Sale of Capital Assets	-\$35		-\$35	-\$35
72000 Investment Income - Restricted				
70000 Total Revenue	\$214,148	\$53,339	\$267,487	\$267,487
91100 Administrative Salaries	\$45,092		\$45,092	\$45,092
91200 Auditing Fees	\$1,820		\$1,820	\$1,820
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$9,044		\$9,044	\$9,044
91600 Office Expenses	\$3,935		\$3,935	\$3,935
91700 Legal Expense				
91800 Travel				
91810 Allocated Overhead				
91900 Other	\$2,878		\$2,878	\$2,878
91000 Total Operating - Administrative	\$62,769	\$0	\$62,769	\$62,769
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$950		\$950	\$950
92500 Total Tenant Services	\$950	\$0	\$950	\$950

Fremont Housing Authority (IN085)
Fremont, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 03/31/2011

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Total
93100 Water	\$5,095		\$5,095	\$5,095
93200 Electricity	\$8,320		\$8,320	\$8,320
93300 Gas	\$295		\$295	\$295
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$726		\$726	\$726
93000 Total Utilities	\$14,436	\$0	\$14,436	\$14,436
94100 Ordinary Maintenance and Operations - Labor	\$5,520		\$5,520	\$5,520
94200 Ordinary Maintenance and Operations - Materials and Other	\$2,843		\$2,843	\$2,843
94300 Ordinary Maintenance and Operations Contracts	\$28,066	\$2,000	\$30,066	\$30,066
94500 Employee Benefit Contributions - Ordinary Maintenance	\$974		\$974	\$974
94000 Total Maintenance	\$37,403	\$2,000	\$39,403	\$39,403
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$7,224		\$7,224	\$7,224
96120 Liability Insurance	\$1,520		\$1,520	\$1,520
96130 Workmen's Compensation	\$1,006		\$1,006	\$1,006
96140 All Other Insurance	\$100		\$100	\$100
96100 Total Insurance Premiums	\$9,850	\$0	\$9,850	\$9,850
96200 Other General Expenses				
96210 Compensated Absences	\$3,387		\$3,387	\$3,387
96300 Payments in Lieu of Taxes	\$7,967		\$7,967	\$7,967
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$11,354	\$0	\$11,354	\$11,354
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$136,762	\$2,000	\$138,762	\$138,762
97000 Excess of Operating Revenue over Operating Expenses	\$77,386	\$51,339	\$128,725	\$128,725

Fremont Housing Authority (IN085)
Fremont, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 03/31/2011

	Project Total	14,885 Formula Capital Fund Stimulus Grant	Subtotal	Total
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$91,910		\$91,910	\$91,910
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$228,672	\$2,000	\$230,672	\$230,672
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$14,524	\$51,339	\$36,815	\$36,815
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,140,698	\$0	\$1,140,698	\$1,140,698
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$51,339	-\$51,339	\$0	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	480		480	480
11210 Number of Unit Months Leased	455		455	455
11270 Excess Cash	\$337,362		\$337,362	\$337,362
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$71,843		\$71,843	\$71,843
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0	\$0
11650 Leasehold Improvements Purchases	\$23,211		\$23,211	\$23,211
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0



Board of Commissioners
Fremont Housing Authority
Fremont, Indiana

In planning and performing my audit of the financial statements of Fremont Housing Authority as of and for the year ended March 31, 2011, in accordance with auditing standards generally accepted in the United State of America, I considered the Housing Authorities internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont Housing Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of Fremont Housing Authority's internal control.

The administration of the Housing Authority is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by the administration are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use of disposition and that transactions are executed in accordance with authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. However, my study and evaluation disclosed certain conditions in the following areas of which you should be aware in order to improve operating efficiencies and strengthen internal controls:

1. The Housing Authority is reminded to file cost certificates for HUD Capital Grant 501-06.

This communication is intended solely for the information and used of management, the Board of Commissioners, and others within the housing authority, and is not intended to be and should not be used by anyone other than these specified parties. Please feel free to contact me if you have any questions.

Certified Public Accountant

Decatur, Illinois
December 6, 2011