



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B43668

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

June 11, 2014

Board of Directors
Huntingburg Housing Authority
1102 Friendship Village
Huntingburg, IN 47542

We have reviewed the audit report prepared by Jean Sickels, CPA, Independent Public Accountant, for the period January 1, 2009 to December 31, 2009. 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 Huntingburg Housing Authority, as of December 31, 2009 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 HUNTINGBURG

AUDITED FINANCIAL STATEMENTS

Huntingburg, Indiana

December 31, 2009

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120
812-472-3527

870 Cinderella Court
Decatur, GA 30033
404-297-9881

HUNTINGBURG
HOUSING AUTHORITY

Huntingburg, Indiana
December 31, 2009

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	i
 <u>FINANCIAL STATEMENTS</u>	
Statement of Net Assets	2
Statement of Revenues, Expenses, and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	6
 <u>SUPPLEMENTAL FINANCIAL INFORMATION</u>	
Combining Schedule of Program Net Assets	15
Combining Schedule of Program Revenues, Expenses, and Changes in Net Assets	16
Statement and Certification of Actual Capital Fund Grant Costs-Completed	17
Financial Data Schedule	18
 <u>OTHER REPORTS</u>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27
Schedule of Findings and Responses	28

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the
City of Huntingburg
1102 Friendship Village
Huntingburg, Indiana

I have audited the accompanying financial statements of the Housing Authority of the City of Huntingburg ("the Authority") as of and for the year ended December 31, 2009, which collectively comprise the Housing Authority of the City of Huntingburg's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 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 respective financial position of the Housing Authority of the City of Huntingburg as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof 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 June 15, 2010 on my consideration of the Housing Authority of the City of Huntingburg'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.

The Management's Discussion and Analysis on pages i through vi is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Huntingburg. The Financial Data Schedule and other supplemental information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


Certified Public Accountant

Fredericksburg, Indiana
June 15, 2010

**HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
HUNTINGBURG, INDIANA
DECEMBER 31, 2009**

Management's Discussion and Analysis

As management of the Huntingburg Housing Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Gayle Dugas, Executive Director of the Huntingburg Housing Authority at 812-683-2513.

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 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.

Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authorities finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of entity wide net assets, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net assets and changes in them. One can think of the Authority's net assets as the difference between what the Authority own's (assets) to what the Authority owes (liabilities). The change in net assets analysis will assist the reader with measuring the health or financial position of the Authority.

**HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
HUNTINGBURG, INDIANA
DECEMBER 31, 2009
(Continued)**

Over time, significant changes in the Authorities net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authorities capital assets.

To fully understand the financial statements of the Housing Authority, one must start with an understanding of what the Authority actual does. The following is a brief description of the programs and services that the Authority provides for the residents of the City of Huntingburg:

Low Income Public Housing

The Housing Authority owns 50 units at 1 site in Huntingburg. The 50 units are separated into two areas, League Circle which is a family site with 20 units and Friendship Village which has 30 elderly units. The Authority is responsible for the management, maintenance and utilities for all units and sites. On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has an Allowable Expense Level, Allowable Utilities Expense Level and Audit Costs and that HUD will fund the difference between the Allowable Expenses and the amount of rents that the Authority can charge the Authority's tenants.

Future Events (New Business)

There are no future events planned by the Authority during the fiscal year ending December 31, 2009 that will significantly affect the Authority's Net Assets either positively or negatively.

Condensed Comparative Financial Statements

Analysis of Entity Wide Net Assets (Statement of Net Assets)

Total Assets for FYE 2008 was \$899,656 and at FYE 2009 the amount was \$867,352. This represents a net decrease of \$32,304.

Cash decreased by \$8,105. The Authority used cash received in the prior fiscal year to pay for current year capital improvements.

Other Current Assets increased by \$1,272. The amount of interest receivable as of December 31, 2009 increased as compared to fiscal year ending 2008.

Capital Assets decreased by \$25,471. The change in Capital Assets will be presented in the section entitled Analysis of Capital Asset Activity.

**HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
HUNTINGBURG, INDIANA
DECEMBER 31, 2009
(Continued)**

Condensed Comparative Financial Statements (Continued)

Current Liabilities decreased by \$10,018. Current liabilities decreased because the Authority utilized excess capital funding received in 2008 to pay for current year capital improvements.

Long Term Liabilities decreased by \$1,031. The Authority's non-current portion of compensated absences caused this change.

The table below illustrates our analysis:

	2009	2008	Net Change	Percent Variance
Cash	\$ 177,367	\$ 185,472	\$ (8,105)	-4.4%
Other Current Assets	18,640	17,368	1,272	7.3%
Capital Assets	671,345	696,816	(25,471)	-3.7%
Total Assets	867,352	899,656	(32,304)	-3.6%
Current Liabilities	24,808	34,826	(10,018)	-28.8%
Long Term Liabilities	8,111	9,142	(1,031)	-11.3%
Total Liabilities	32,919	43,968	(11,049)	-25.1%
Invested in Capital Assets	671,345	696,816	(25,471)	-3.7%
Unrestricted Net Assets	163,088	158,872	4,216	2.7%
Total Net Assets	\$ 834,433	\$ 855,688	\$ (21,255)	-2.5%

Analysis of Entity Wide Revenues (Statement of Activities)

HUD Operating Grants increased by \$39,959 or 51%. The Authority had additional funding available due to the awarding of the Capital Fund Recovery Grant. The Authority anticipates that this to be a one-time funding award.

HUD Capital Grants increased by \$36,652. The Authority had additional funding available due to the awarding of the Capital Fund Recovery Grant. The Authority anticipates that this to be a one-time funding award.

**HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
HUNTINGBURG, INDIANA
DECEMBER 31, 2009
(Continued)**

Investment Income decreased by \$1,210 or 22% because the interest rates the Authority obtained on its CD's has decreased as compared to prior years.

	2009	2008	Net Change	Percentage Change
Total Tenant Revenue	\$ 144,352	\$ 149,542	\$ (5,190)	-4%
HUD Operating Grants	148,328	108,369	39,959	37%
HUD Capital Grants	92,829	56,177	36,652	65%
Investment Income	4,212	5,422	(1,210)	-22%
Total Revenue	\$ 389,721	\$ 319,510	\$ 70,211	22%

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2009 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Low Income Public Housing	\$ 243,296
Capital Fund Recovery Grant	85,991
Public Housing Capital Fund Program	60,434
Total Revenue	\$ 389,721

Analysis of Entity Wide Expenditures

Total Expenditures for Fiscal Year Ending December 31, 2009 were \$410,976 as compared to the \$380,573 of total expenditures for Fiscal Year Ending December 31, 2008. Comparatively, Fiscal Year Ending 2009 expenditures increased by \$30,403 or 14% from Fiscal Year Ending 2008 expenditures. Changes by major expense category will be presented below.

**HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
HUNTINGBURG, INDIANA
DECEMBER 31, 2009
(Continued)**

Administrative expenditures increased by \$7,871 or 8%. The increase is due to a standard increase in employee salaries and related employee benefit cost increases. Administrative expenses also increased because of increases in software expenses and other operating expenses.

Maintenance expenditures decreased by \$7,163 or 13%. The Authority no longer had maintenance employees. Maintenance staff was replaced by with contractors saving the Authority the expense of benefits costs.

General Expense decreased by \$5,707 or 16%. The decrease is due to a decrease in the Authority's insurance expense.

Extraordinary Maintenance increased by \$24,192. Extraordinary maintenance increased because of the availability of Capital Fund Recovery Grant. The Authority was able to fund more capital improvement activities during the fiscal year ending 2009 as compared to 2008.

The table on the below illustrates our analysis:

	<u>2009</u>	<u>2008</u>	<u>Net Change</u>	<u>Percent Variances</u>
Administrative	\$ 110,430	\$ 102,559	\$ 7,871	8%
Tenant Services	1,616	1,250	366	29%
Utilities	63,866	64,269	(403)	-1%
Maintenance	47,826	54,989	(7,163)	-13%
General Expense	29,794	35,501	(5,707)	-16%
Extraordinary Maintenance	39,144	14,952	24,192	162%
Depreciation Expense	118,300	111,607	6,693	6%
Total Expenses	\$ 410,976	\$ 380,573	\$ 30,403	-14%

**HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
HUNTINGBURG, INDIANA
DECEMBER 31, 2009
(Continued)**

Analysis of Capital Asset Activity

Leasehold Improvements increased by \$121,003. The improvements capitalized by the Authority included surveillance system installation, gazebo construction and miscellaneous other building improvements.

Furniture, Equipment, & Machinery increased by \$22,805. The Authority purchased a bobcat skid loader and miscellaneous items for the Authority's office.

Construction in Process decreased by \$50,980. Construction in process decreased because the Authority closed Capital Fund Programs and reclassified the fixed assets to Leasehold Improvements.

Accumulated Depreciation increased by \$118,299. This is the amount of depreciation expense recognized during the fiscal year.

	2008	2008	Net Change	Percent Variance
Land	\$ 14,750	\$ 14,750	\$ -	0.0%
Buildings	955,747	955,747	0	0.0%
Furniture, Equip., & Mach. - Dwelling	128,200	128,200	0	0.0%
Furniture, Equip., & Mach. - Administrative	149,175	126,370	22,805	18.0%
Leasehold Improvements	1,290,858	1,169,855	121,003	10.3%
Infrastructure	108,120	108,120	0	0.0%
Construction in Process	0	50,980	(50,980)	-100.0%
Total Fixed Assets	2,646,850	2,554,022	92,828	3.6%
Accumulated Depreciation	1,975,505	1,857,206	118,299	6.4%
Net Fixed Assets	\$ 671,345	\$ 696,816	\$ (25,471)	-3.7%

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF NET ASSETS

DECEMBER 31, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 171,516
Restricted cash and cash equivalents	5,851
Accounts receivable, net	2,563
Prepaid insurance	2,171
Inventory	<u>13,906</u>

Total Current Assets 196,007

CAPITAL ASSETS

Land and other nondepreciable assets	14,750
Depreciable capital assets, net	<u>656,595</u>
Total Capital Assets	<u>671,345</u>

Total Assets 867,352

LIABILITIES

CURRENT LIABILITIES

Accounts payable	2,693
Accrued liabilities	14,279
Payable from restricted cash and cash equivalents:	
Tenant's security deposits	5,851
Deferred revenue	<u>1,985</u>

Total Current Liabilities 24,808

NONCURRENT LIABILITIES

Compensated absences	<u>8,111</u>
Total Noncurrent Liabilities	<u>8,111</u>

Total Liabilities 32,919

NET ASSETS

Invested in capital assets	671,345
Unrestricted	<u>163,088</u>

TOTAL NET ASSETS \$ 834,433

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>OPERATING REVENUES</u>	
Rental income	\$ 129,999
Other revenue	<u>14,353</u>
TOTAL OPERATING REVENUES	<u>144,352</u>
 <u>OPERATING EXPENSES</u>	
Administrative	110,430
Tenant services	1,616
Utilities	63,866
Ordinary maintenance and operation	86,970
General expense	29,794
Depreciation expense	<u>118,300</u>
TOTAL OPERATING EXPENSES	<u>410,976</u>
 OPERATING INCOME (LOSS)	 <u>(266,624)</u>
 <u>NONOPERATING REVENUES (EXPENSES)</u>	
Federal operating grants	148,328
Interest income	<u>4,212</u>
TOTAL NONOPERATING REVENUES	<u>152,540</u>
 CAPITAL CONTRIBUTIONS	 92,829
 CHANGE IN NET ASSETS	 <u>(21,255)</u>
 NET ASSETS, BEGINNING OF YEAR	 <u>855,688</u>
 NET ASSETS, END OF YEAR	 <u>\$ 834,433</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from residents and other deposits	\$ 131,329
Payments to suppliers	(230,670)
Payments to/for employees	<u>(72,997)</u>
 Net Cash Flows Provided (Used) by Operating Activities	 <u>(160,645)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>4,212</u>
 Net Cash Provided by Investing Activities	 4,212

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants received	92,829
Capital assets purchased	<u>(92,829)</u>
 Net Cash Provided (Used) from Capital and Related Financing Activities	 0

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received	<u>148,328</u>
 Net Cash Flows Provided by Noncapital Financing Activities	 <u>148,328</u>

Net Increase (Decrease) in Cash and Cash Equivalents (8,105)

Beginning Cash and Cash
Cash - Beginning of year 185,472

Ending Cash and Cash
Cash - End of year \$ 177,367

Reconciliation of Cash
Unrestricted \$ 171,516
Restricted 5,851
\$ 177,367

Continued

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(266,624)
Adjustments to reconcile net income to net cash Provided by operating activities:		
Depreciation		118,300
(Increase) Decrease in:		
Accounts receivable		(1,330)
Prepaid expenses		64
Inventory		(6)
Increase (Decrease) in:		
Accounts payable		1,090
Accrued liabilities		(944)
Deferred revenue		(11,195)
Net Cash Flows Provided (Used) by Operating Activities	\$	<u>(160,645)</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE A - Summary of Significant Accounting Policies:

The HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG ("the Authority") is a political subdivision both corporate and politic which was organized under the laws of the State of Indiana to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other Federal Agencies to be the Administrator of a Public Housing Program.

Reporting Entity - The entity is a public corporation, legally separate, fiscally independent, and governed by the Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of the Housing Authority of the City of Huntingburg, a primary government. There are no component units to be included herewith, but this report does include all programs which are controlled by the entity's governing body.

The financial statements of the HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG include Low-Income Public Housing under Annual Contributions Contract C-543.

The authority had 50 units in management at December 31, 2009:

<u>Project</u>	<u>Units</u>
Authority owned	50

The authority was also administering Capital Fund Programs.

Basis of Presentation - In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged only in business type activities.

The Authority's financial statements are accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority applies all applicable GASB pronouncements as well as FASB Statements and Interpretations, APB Opinions, and ARB's issued on or before, November 30, 1989, unless those pronouncements conflict with or contradicts GASB pronouncements.

This special purpose government engaged in activities similar to business activities uses an enterprise fund to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following net asset categories:

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Invested in Capital Assets, Net of Related Debt - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The Authority has no debt.

Unrestricted - Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

Accounting Policies - The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Use of Enterprise Accounting - The Authority presents its financial statements using enterprise accounting, as allowed by governments. Although the Authority accounts for its programs using accounts for its internal reporting, the Authority is considered to be a unified enterprise fund for reporting purposes. Accordingly, the Authority uses the economic resources measurement focus and the related accrual basis of accounting. Under the economic resources measurement focus, the Authority accounts for all assets and liabilities. Under the accrual basis of accounting expenses are recorded when the goods and services are received, irrespective of when paid for, and revenues are recorded as earned, irrespective of when cash is received.

Budgets - Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis.

Budget compared to Actual presentation has been omitted because the Authority does not annually adopt a legally authorized budget. The Authority's budget is adopted by the Authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a nonappropriated budget authorized by constitution. The Authority's budget represents budgetary execution and management by its board and HUD; therefore, budgetary data and presentation is not required.

Cash and Cash Equivalents - Deposits consist of Checking accounts and Certificates of Deposits and are stated at fair value. Deposits are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority. Certificates of deposit that are redeemable immediately with little or no penalty are considered cash equivalents.

For the purposes of the Statement of Cash Flows, the Authority considers all highly liquid deposits (including restricted assets) with a maturity of three months or less when purchased and non negotiable certificates of deposit to be cash equivalents. There were no noncash investing, non capital, capital and financing activities during the year.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Tenant Receivables - Receivables for rentals and service charges are reported net of an allowance for doubtful accounts. The Housing Authority Board takes monthly action as required to write off specific uncollectable accounts receivable balances.

Prepaid - Prepaids, when present, represent payments made to vendors for services that will benefit beyond December 31, 2009.

Inventories - Inventories are valued at cost, which approximates market value, using the first-in/first/out (FIFO) method. The consumption method is applied and expense is charged when inventory items are used for the units.

Interprogram Due From and Due To - During the course of its operations, the authority has interprogram transactions to finance operations and provide services. Interprogram accounts receivable and payable have been recorded to recognize transactions between programs for which the applicable cash transfer had not been made as of the balance sheet date. Interprogram receivables and payables have been eliminated for financial statement presentation.

Capital Assets - Capital assets purchased in the proprietary fund types are capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs. The Authority's policy is to capitalize assets costing \$500 or more.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Building & Improvements	15-40 years
Furniture, Equipment & Fixtures	3-7 years

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

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues, and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Operating Revenues and Expenses - Operating revenues and expenses generally result from providing and producing goods and/or services in connection with providing low income housing programs. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted Assets - When both restricted and unrestricted resources are available for use, it is the Authority's policy to use unrestricted resources first, then restricted resources as they are allowed.

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

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

NOTE B - Deposits, Cash and Cash Equivalents:

1. HUD Deposit Restrictions

HUD requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

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

At December 31, 2009, the carrying amount of the Authority's deposits was \$195,458. The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name or by the Federal Reserve Banks acting as third party agents or by a collateralization agreement. Restricted cash consists of tenant security deposits.

Deposits consist of the following:

Checking accounts	\$ 77,121
Certificates of Deposit	<u>100,246</u>
Total	<u>\$ 177,367</u>

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2009, consist of the following:

Tenants accounts receivable - net allowance for doubtful accounts of \$894	\$ 316
Accrued interest	<u>2,247</u>
Total	<u>\$ 2,563</u>

NOTE D - Prepaid Expenses:

There was \$2,171 of prepaid insurance expenses at December 31, 2009.

NOTE E - Inventory:

Inventory at December 31, 2009, consist of the following:

Materials and supplies	<u>\$ 13,906</u>
------------------------	------------------

Materials inventories are recorded at the lower of cost or market. The first-in first-out (FIFO) inventory flow assumption is used to determine expenses. Expenses are recorded when inventory is consumed.

NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance <u>12/31/08</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>12/31/09</u>
Capital assets, not being depreciated:				
Land	\$ 14,750	\$ 0	\$ 0	\$ 14,750
Construction in Progress	<u>50,980</u>	<u>0</u>	<u>(50,980)</u>	<u>0</u>
Total Capital Assets, not being depreciated	<u>65,730</u>	<u>0</u>	<u>(50,980)</u>	<u>14,750</u>
Capital Assets, being depreciated:				
Buildings & Improvements	2,233,722	121,003	0	2,354,725
Furniture, Equipment & Machinery	<u>254,570</u>	<u>22,805</u>	<u>0</u>	<u>277,375</u>
Total Capital Assets, being depreciated	<u>2,488,292</u>	<u>143,808</u>	<u>0</u>	<u>2,632,100</u>

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE F - Capital Assets: (Continued)

Less Accumulated Depreciation for:				
Buildings & Improvements	(1,608,983)	(113,606)	0	(1,722,589)
Furniture, Equipment and Machinery	<u>(248,223)</u>	<u>(4,693)</u>	<u>0</u>	<u>(252,916)</u>
Total Accumulated Depreciation	<u>(1,857,206)</u>	<u>(118,299)</u>	<u>0</u>	<u>(1,975,505)</u>
Total Capital Assets, being depreciated, net	<u>631,086</u>	<u>25,509</u>	<u>0</u>	<u>656,595</u>
Capital Assets, Net	<u>\$ 696,816</u>	<u>\$ 25,509</u>	<u>\$ (50,980)</u>	<u>\$ 671,345</u>

Major construction renovation through the Capital Fund Program costs of \$67,714 are yet to be expended under the current programs. HUD has approved funding for the above amount. Depreciation expense for the year ended December 31, 2009, was \$118,209.

NOTE G - Accounts Payable:

Accounts payable at December 31, 2009, consist of the following:

Vendors' and contractors	<u>\$ 2,693</u>
--------------------------	-----------------

NOTE H - Accrued Liabilities:

Accrued liabilities at December 31, 2009, consist of the following:

Payment in lieu of taxes	\$ 6,613
Accrued Utilities	5,484
Accrued compensated absences	<u>2,182</u>
Total	<u>\$ 14,279</u>

NOTE I - Deferred revenue:

Deferred revenue at December 31, 2009, consists of the following:

Prepaid Rent	<u>\$ 1,985</u>
--------------	-----------------

NOTE J - Noncurrent Liabilities:

Noncurrent liabilities at December 31, 2009, consist of the following:

	<u>12/31/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/09</u>
Long term compensated absences	<u>\$ 9,142</u>	<u>\$</u>	<u>\$ 1,031</u>	<u>\$ 8,111</u>

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE K - Federal Operating Grants:

HUD contributed the following operating subsidies approved in the operating budgets under the Annual Contributions Contracts:

Low Rent Public Housing	\$ 94,732
Capital Fund Recovery Grant	160
Capital Fund Program	<u>53,436</u>
Total	<u>\$ 148,328</u>

NOTE L - Federal Capital Grants:

The Authority receives capital grants from HUD for capital fund program improvements. Capital contributions for the fiscal year ended December 31, 2009 were \$92,829.

NOTE M - Pension Plan:

Plan Description

The 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 the power 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.

The Authority's contributions were calculated using the base salary amount of \$49,961. During the year ended December 31, 2009, the Authority's required and actual contributions amounted to \$6,745, which was 13.5% of its current-year covered payroll in the amount of \$49,961. Contributions for 2008 were \$9,297. Contributions for 2007 were \$6,128.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employee's Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE M - Pension Plan: (Continued)

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

NOTE N - Economic Dependency:

The Authority receives approximately 62% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

NOTE O - Commitments and Contingencies:

Examinations - The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no examinations during the year ended December 31, 2009.

Grant Disallowances - Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

Construction Projects - There are certain major construction projects in progress at December 31, 2009. These include modernizing rental units at the project sites. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

NOTE P - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE Q - Conduit Type Debt:

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by the United States Department of HUD. There is no debt or pledge of faith and credit on the part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Housing Authority of the City of Huntingburg.

HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

SUPPLEMENTAL FINANCIAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

COMBINING SCHEDULE OF PROGRAM NET ASSETS

DECEMBER 31, 2009

	A C C		Total
	C-543	C-543	
	Low Income Public Housing	Capital Fund Programs	
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$ 171,516	\$ 0	\$ 171,516
Restricted cash and cash equivalents	5,851	0	5,851
Accounts receivable, net	2,563	0	2,563
Prepaid insurance	2,171	0	2,171
Inventory	13,906	0	13,906
Total Current Assets	196,007	0	196,007
<u>CAPITAL ASSETS</u>			
Land and other nondepreciable assets	14,750	0	14,750
Depreciable capital assets, net	656,595	0	656,595
Total Capital Assets	671,345	0	671,345
Total Assets	867,352	0	867,352
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable	2,693	0	2,693
Accrued liabilities	14,279	0	14,279
Payable from restricted cash and cash equivalents:			
Tenant's security deposits	5,851	0	5,851
Deferred revenue	1,985	0	1,985
Total Current Liabilities	24,808	0	24,808
<u>NONCURRENT LIABILITIES</u>			
Compensated absences	8,111	0	8,111
Total Noncurrent Liabilities	8,111	0	8,111
Total Liabilities	32,919	0	32,919
<u>NET ASSETS</u>			
Invested in capital assets	671,345	0	671,345
Unrestricted	163,088	0	163,088
TOTAL NET ASSETS	\$ 834,433	\$ 0	\$ 834,433

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	C-543 Low Income Public Housing	C-543 Capital Fund Programs	Total
<u>OPERATING REVENUES</u>			
Rental income	\$ 129,999	\$ 0	\$ 129,999
Other revenue	14,353	0	14,353
TOTAL OPERATING REVENUES	144,352	0	144,352
<u>OPERATING EXPENSES</u>			
Administrative	110,430	0	110,430
Tenant Services	1,616	0	1,616
Utilities	63,866	0	63,866
Ordinary maintenance and operation	86,810	160	86,970
General expense	29,794	0	29,794
Depreciation expense	118,300	0	118,300
TOTAL OPERATING EXPENSES	410,816	160	410,976
OPERATING INCOME (LOSS)	(266,464)	(160)	(266,624)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Federal operating grants	94,732	53,596	148,328
Interest income	4,212	0	4,212
TOTAL NONOPERATING REVENUES	98,944	53,596	152,540
CAPITAL CONTRIBUTIONS	0	92,829	92,829
CHANGE IN NET ASSETS	(167,520)	146,265	(21,255)
NET ASSETS, BEGINNING OF YEAR, as originally stated	855,688	0	855,688
Operating transfers	146,265	(146,265)	0
Total net Assets - Beginning of year as restated	1,001,953	(146,265)	855,688
NET ASSETS, END OF YEAR	\$ 834,433	\$ 0	\$ 834,433

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS - COMPLETED
DECEMBER 31, 2009

Annual Contributions Contract C-543

	<u>501-08</u>	<u>501-09</u>
1. The Capital Fund Grant Costs are as follows:		
Funds Approved	\$ 67,934.00	\$ 85,991.00
Funds Expended	<u>67,934.00</u>	<u>85,991.00</u>
Excess / (Deficiency) of Funds Approved	\$ <u>0.00</u>	\$ <u>0.00</u>
Funds Advanced	\$ 67,934.00	\$ 85,991.00
Funds Expended	<u>67,934.00</u>	<u>85,991.00</u>
Excess / (Deficiency) of Funds Advanced	\$ <u>0.00</u>	\$ <u>0.00</u>

2. Costs additions totaling \$ 146,425.06 were made during the current audit period and, accordingly, were audited by Jean Sickels, CPA.

3. The total amount of the Capital Fund Grant Costs at December 31, 2009 as shown above are in agreement with the Actual Development Cost Certificate submitted to HUD and approved by HUD.

4. All Capital Fund Grant work in connection with the Project has been completed.

5. All liabilities have been paid and there are no undischarged liens against the Project on file in any public office where the same should be filed in order to be valid and the time in which such liens could be filed has expired.

6. There were no budget overruns.

Housing Authority of the City of Huntingburg (IN028)
 HUNTINGBURG, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2009

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Total
111 Cash - Unrestricted	\$171,516	\$0	\$171,516	\$171,516
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$5,851		\$5,851	\$5,851
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$177,367	\$0	\$177,367	\$177,367
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$1,210		\$1,210	\$1,210
126.1 Allowance for Doubtful Accounts - Tenants	-\$894		-\$894	-\$894
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	\$2,247		\$2,247	\$2,247
120 Total Receivables - Net of Allowances for Doubtful Accounts	\$2,563	\$0	\$2,563	\$2,563
131 Investments - Unrestricted	\$0		\$0	\$0
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				

142	Prepaid Expenses and Other Assets	\$2,171	\$2,171	\$2,171	\$2,171
143	Inventories	\$13,906	\$13,906	\$13,906	\$13,906
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0
144	Inter Program Due From				
145	Assets Held for Sale				
150	Total Current Assets	\$196,007	\$0	\$196,007	\$196,007
161	Land	\$14,750		\$14,750	\$14,750
162	Buildings	\$955,747		\$955,747	\$955,747
163	Furniture, Equipment & Machinery - Dwellings	\$128,200		\$128,200	\$128,200
164	Furniture, Equipment & Machinery - Administration	\$149,175		\$149,175	\$149,175
165	Leasehold Improvements	\$1,290,858		\$1,290,858	\$1,290,858
166	Accumulated Depreciation	-\$1,975,505		-\$1,975,505	-\$1,975,505
167	Construction in Progress				
168	Infrastructure	\$108,120		\$108,120	\$108,120
160	Total Capital Assets, Net of Accumulated Depreciation	\$671,345	\$0	\$671,345	\$671,345
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	\$671,345	\$0	\$671,345	\$671,345
190	Total Assets	\$867,352	\$0	\$867,352	\$867,352
311	Bank Overdraft				
312	Accounts Payable <= 90 Days	\$2,693	\$0	\$2,693	\$2,693
313	Accounts Payable >90 Days Past Due				
321	Accrued Wage/Payroll Taxes Payable				
322	Accrued Compensated Absences - Current Portion	\$2,182		\$2,182	\$2,182

324	Accrued Contingency Liability					
325	Accrued Interest Payable					
331	Accounts Payable - HUD PHA Programs					
332	Account Payable - PHA Projects					
333	Accounts Payable - Other Government	\$6,613	\$6,613		\$6,613	\$6,613
341	Tenant Security Deposits	\$5,851	\$5,851		\$5,851	\$5,851
342	Deferred Revenues	\$1,985	\$1,985		\$1,985	\$1,985
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	\$5,484	\$5,484		\$5,484	\$5,484
347	Inter Program - Due To					
348	Loan Liability - Current					
310	Total Current Liabilities	\$24,808	\$24,808	\$0	\$24,808	\$24,808
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	\$8,111	\$8,111		\$8,111	\$8,111
355	Loan Liability - Non Current					
356	FASB 5 Liabilities					
357	Accrued Pension and OPEB Liabilities					
350	Total Non-Current Liabilities	\$8,111	\$8,111	\$0	\$8,111	\$8,111
300	Total Liabilities	\$32,919	\$32,919	\$0	\$32,919	\$32,919
508.1	Invested in Capital Assets, Net of Related Debt					
509.2	Fund Balance Reserved					
511.2	Unreserved, Designated Fund Balance					
511.1	Restricted Net Assets	\$671,345	\$671,345		\$671,345	\$671,345
512.1	Unrestricted Net Assets	\$163,088	\$163,088	\$0	\$163,088	\$163,088

512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets	\$834,433	\$0	\$834,433	\$834,433	\$834,433
600 Total Liabilities and Equity/Net Assets	\$867,352	\$0	\$867,352	\$867,352	\$867,352

Housing Authority of the City of Huntingburg (IN028)
 HUNTINGBURG, IN
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2009

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Total
70300 Net Tenant Rental Revenue	\$129,999		\$129,999	\$129,999
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$129,999	\$0	\$129,999	\$129,999
70600 HUD PHA Operating Grants	\$148,168	\$160	\$148,328	\$148,328
70610 Capital Grants	\$6,998	\$85,831	\$92,829	\$92,829
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	\$4,212		\$4,212	\$4,212
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	\$14,353		\$14,353	\$14,353
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$303,730	\$85,991	\$389,721	\$389,721

91100	Administrative Salaries	\$49,961		\$49,961	\$49,961
91200	Auditing Fees	\$3,677		\$3,677	\$3,677
91300	Management Fee				
91310	Book-keeping Fee				
91400	Advertising and Marketing				
91500	Employee Benefit contributions - Administrative	\$21,437		\$21,437	\$21,437
91600	Office Expenses	\$5,168		\$5,168	\$5,168
91700	Legal Expense				
91800	Travel	\$430		\$430	\$430
91810	Allocated Overhead				
91900	Other	\$29,757		\$29,757	\$29,757
91000	Total Operating - Administrative	\$110,430	\$0	\$110,430	\$110,430
92000	Asset Management Fee				
92100	Tenant Services - Salaries				
92200	Relocation Costs				
92300	Employee Benefit Contributions - Tenant Services				
92400	Tenant Services - Other	\$1,616		\$1,616	\$1,616
92500	Total Tenant Services	\$1,616	\$0	\$1,616	\$1,616
93100	Water	\$10,596		\$10,596	\$10,596
93200	Electricity	\$19,219		\$19,219	\$19,219
93300	Gas	\$17,360		\$17,360	\$17,360
93400	Fuel				
93500	Labor				
93600	Sewer	\$16,691		\$16,691	\$16,691
93700	Employee Benefit Contributions - Utilities				
93800	Other Utilities Expense				
93000	Total Utilities	\$63,866	\$0	\$63,866	\$63,866

94100	Ordinary Maintenance and Operations - Labor	\$1,117	\$1,117	\$1,117	\$1,117
94200	Ordinary Maintenance and Operations - Materials and Other	\$6,782	\$6,782	\$6,782	\$6,782
94300	Ordinary Maintenance and Operations Contracts	\$39,445	\$39,445	\$39,445	\$39,445
94500	Employee Benefit Contributions - Ordinary Maintenance	\$482	\$482	\$482	\$482
94000	Total Maintenance	\$47,826	\$47,826	\$47,826	\$47,826
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	\$20,229	\$20,229	\$20,229	\$20,229
96120	Liability Insurance				
96130	Workmen's Compensation	\$2,256	\$2,256	\$2,256	\$2,256
96140	All Other Insurance				
96100	Total Insurance Premiums	\$22,485	\$22,485	\$22,485	\$22,485
96200	Other General Expenses				
96210	Compensated Absences	\$91	\$91	\$91	\$91
96300	Payments in Lieu of Taxes	\$6,613	\$6,613	\$6,613	\$6,613
96400	Bad debt - Tenant Rents	\$605	\$605	\$605	\$605
96500	Bad debt - Mortgages				
96600	Bad debt - Other				
96800	Severance Expense				
96000	Total Other General Expenses	\$7,309	\$7,309	\$7,309	\$7,309
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	\$253,532	\$0	\$253,532	\$253,532	\$253,532
97000	Excess of Operating Revenue over Operating Expenses	\$50,198	\$85,991	\$136,189	\$136,189	\$136,189
97100	Extraordinary Maintenance	\$38,984	\$160	\$39,144	\$39,144	\$39,144
97200	Casualty Losses - Non-capitalized					
97300	Housing Assistance Payments					
97350	HAP Portability-In					
97400	Depreciation Expense	\$118,300		\$118,300	\$118,300	\$118,300
97500	Fraud Losses					
97600	Capital Outlays - Governmental Funds					
97700	Debt Principal Payment - Governmental Funds					
97800	Dwelling Units Rent Expense					
90000	Total Expenses	\$410,816	\$160	\$410,976	\$410,976	\$410,976
10010	Operating Transfer In	\$13,952		\$13,952	\$13,952	\$13,952
10020	Operating transfer Out	-\$13,952		-\$13,952	-\$13,952	-\$13,952
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	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$107,086	\$85,831	-\$21,255	-\$21,255	-\$21,255

11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$855,688	\$0	\$855,688	\$855,688	\$855,688
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$85,831	-\$85,831	\$0	\$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	600	0	600	600	600
11210	Number of Unit Months Leased	580	0	580	580	580
11270	Excess Cash	\$134,036		\$134,036	\$134,036	\$134,036
11610	Land Purchases	\$0		\$0	\$0	\$0
11620	Building Purchases	\$885		\$885	\$885	\$885
11630	Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0	\$0
11640	Furniture & Equipment - Administrative Purchases	\$6,112		\$6,112	\$6,112	\$6,112
11650	Leasehold Improvements Purchases	\$0		\$0	\$0	\$0
11660	Infrastructure Purchases	\$0		\$0	\$0	\$0
13510	CFFP Debt Service Payments	\$0		\$0	\$0	\$0
13901	Replacement Housing Factor Funds	\$0		\$0	\$0	\$0

OTHER REPORTS

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

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
Housing Authority of the City of Huntingburg
1102 Friendship Village
Huntingburg, Indiana

I have audited the financial statements of the Housing Authority of the City of Huntingburg ("the Authority") as of and for the year ended December 31, 2009, and have issued my report thereon dated February 10, 2009, which included a disclaimer of opinion on Management's Discussion and Analysis. 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 of the City of Huntingburg'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 of the City of Huntingburg's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the City of Huntingburg'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 the Housing Authority of the City of Huntingburg's financial statements are free of material misstatement, I performed tests of its compliance with certain provision 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*.

This report is intended solely for the information and use of the Authority's management, the U.S. Department of HUD, and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountant

Fredericksburg, Indiana
June 15, 2010

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

DECEMBER 31, 2009

SCHEDULE OF FINDINGS AND RESPONSES

PRIOR YEAR FINDINGS

There were no prior year findings.

CURRENT YEAR FINDINGS

There are no current year findings.