



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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June 20, 2014

Board of Directors
Noblesville Housing Authority
320 Kings Lane
Noblesville, IN 46060

We have reviewed the audit report prepared by Jean Sickels, CPA, Independent Public Accountant, for the period January 1, 2008 to December 31, 2008. 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 Noblesville Housing Authority, as of December 31, 2008 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

NOBLESVILLE HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

Noblesville, Indiana

December 31, 2008

Jean Sickels

Certified Public Accountant

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

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NOBLESVILLE
HOUSING AUTHORITY

Noblesville, Indiana
DECEMBER 31, 2008

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Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Noblesville Housing Authority
320 Kings Lane
Noblesville, Indiana 46060-2423

I have audited the financial statements of the Noblesville Housing Authority ("the Authority") as of and for the year ended December 31, 2008, 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.

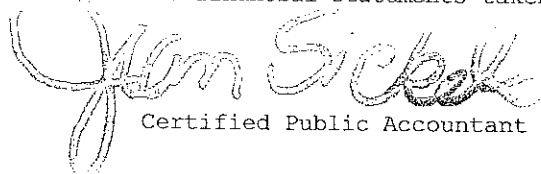
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and 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 financial position of the Noblesville Housing Authority as of December 31, 2008, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 27, 2009, on my consideration of the Noblesville 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 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 as detailed in this Report, 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 made 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 Noblesville Housing Authority. The accompanying Schedule of Expenditures of Federal Awards as required by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations required by the U.S. Department of Housing and Urban Development, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are 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
August 27, 2009

Noblesville Housing Authority
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008

Introduction

This Management Discussion and Analysis (MD&A) of the Noblesville Housing Authority (Authority) provides an introduction and overview of the financial statements of the Authority for the fiscal year ended December 31, 2008. The Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2008, to assist the reader in focusing on significant financial issues.

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

The Authority has several individual programs. These programs are listed as follows:

- ❖ The Housing Choice Voucher Program provides rental assistance to aid low income families afford, decent, safe and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment (HAP) to a landlord on behalf of the tenant. The Authority currently has a total of 185 baseline ACC units. Funds are provided by the US Department of Housing & Urban Development (HUD) to provide HAP for participating families and administrative fee to the Authority for administrative cost of the program.
- ❖ Under an administrative contract the Authority administers a Community Development Block Grant (CDBG) Entitlement to and for Hamilton County, Indiana. Funding is divided into four strategies: improve the quality of housing stock through rehabilitation and repair of owner occupied units; provide critical infrastructure improvements to sidewalks and flood drains in six Cities and Towns; provide public service activities through-out the County to benefit low-moderate income persons; and to fund administrative cost.
- ❖ Hamilton County Area Neighborhood Development Inc. (HAND) is tax exempt under IRS 501(C)(3) and was organized initially by the Authority. HAND's mission is to create and promote affordable, safe, quality housing and to educate the community about housing needs. HAND's board is currently focusing on senior rental housing, in addition to rental housing for families below 50% of the Area Median Income (AMI) and homeownership for families below 120% of AMI. HAND and the Authority work closely together to meet the housing needs of families throughout Hamilton County.

Overview of the Financial Statements

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

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

Noblesville Housing Authority
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008
(Continued)

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

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

The Statement of Revenues, Expenses, and Changes in Net Assets reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2008 to determine the change in net assets for the fiscal year.

The Statement of Cash Flows report cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2008.

Financial Highlights

- ❖ The Authority's total net assets increased from December 31, 2007 balance of \$358,688 to the December 31, 2008 balance of \$565,734 an increase of \$207,046 or 36.6% increase.
- ❖ The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$565,734 (net assets).
- ❖ The Authority had HUD operating grants of \$1,611,867, other operating income of \$149,405, and investment income of \$3,090 for the year ended December 31, 2008.

Noblesville Housing Authority
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008
(Continued)

Housing Authority Activities and Highlights

The Noblesville Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2008 and December 31, 2007.

Summary Statement of Net Assets
December 31, 2008 and 2007:

	2008	2007	NET CHANGE
ASSETS			
<u>Current Assets</u>			
Cash – Unrestricted	\$ 122,880	\$ 82,346	\$ 40,534
Cash – Restricted	259,523	253,922	5,601
Accounts Receivable	41,453	73,983	-32,530
Prepaid expenses	552	552	0
Current Assets	424,408	410,803	13,605
<u>Capital Assets</u>			
Land & other non-depreciable assets	0	62,066	(62,066)
Depreciable capital assets, net	40,559	7,541	33,018
Total capital Assets	40,559	69,607	(29,048)
<u>Noncurrent Assets</u>			
Notes receivable	192,891	0	192,891
TOTAL ASSETS	657,858	480,410	177,448
LIABILITIES & NET ASSETS			
<u>Current Liabilities</u>			
Current Liabilities	58,773	94,844	36,071
Noncurrent Liabilities	33,351	26,878	6,473
TOTAL LIABILITIES	92,124	121,722	(29,598)
<u>Net Assets</u>			
Invested in Capital Assets	40,559	69,607	(29,048)
Restricted	235,669	236,828	(1,159)
Unrestricted	289,506	52,253	237,253
TOTAL NET ASSETS	\$ 565,734	\$ 358,688	\$ 207,046

Noblesville Housing Authority
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008
(Continued)

Discussion of change in Net Assets:

- * Assets Cash - Unrestricted increase mainly represents an increase in HAND Inc. cash with the successful completion and sale of three single-family homes to low to moderate income families.
- * Assets Accounts Receivable represents the amount due from the CDBG program and HAND Inc. which are reimbursed monthly to the Authority.
- * Current Accounts Payable includes mainly two items: elimination of interprogram funds which causes a bank overdraft on the financial statements; and a loan HAND Inc. received for a senior housing development consisting of 26 affordable apartments in Sheridan, Indiana.

Summary Statement of Revenues & Expenses
And

Changes in Operating Income between December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>	<u>NET CHANGE</u>
<u>REVENUES</u>			
HUD Operating Grants	\$ 1,611,867	\$ 1,491,486	\$ 120,381
Other Grants	1,750	37,483	(35,733)
Investment Income	3,090	8,106	(5,016)
Loss on Sale of Assets	(69,502)	0	(69,502)
Fraud Recovery Income	6148	5,982	166
Other Revenue	<u>135,757</u>	<u>10,298</u>	<u>125,459</u>
TOTAL REVENUE	<u>1,694,860</u>	<u>1,553,355</u>	<u>141,505</u>
<u>EXPENSES</u>			
Operating Expenses	360,454	329,252	31,202
Housing Assistance Payments	1,125,605	1,165,644	(40,039)
Depreciation Expense	<u>1,755</u>	<u>1,738</u>	<u>17</u>
TOTAL EXPENSES	<u>1,487,814</u>	<u>1,496,634</u>	<u>(8,820)</u>
<u>Net Income (Loss)</u>	<u>\$ 207,046</u>	<u>\$ 56,721</u>	<u>\$ 150,325</u>

Discussion of Changes in Revenues & Expenses:

- * Operating Expenses increase from previous year due to annual increase in personnel costs and the inclusion of HAND Inc. full time staff for a full year.
- * Housing Assistance Payments decreased from previous year due to end of the New Construction program 7/1/2007.

Noblesville Housing Authority
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008
(Continued)

Capital Assets

There were no significant changes in the Authorities capital assets.

Debt Administration

The Authority has no debt. HAND Inc. has pre-development loan for a senior housing development.

Request for Information

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

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

Noblesville Housing Authority
Attn: Troy Halsell, Executive Director
320 Kings Lane
Noblesville, IN 46060-2423

FINANCIAL STATEMENTS

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

STATEMENT OF NET ASSETS
DECEMBER 31, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$ 122,880
Restricted cash and cash equivalents	259,523
Accounts receivable, net	41,453
Prepaid insurance	552
Total Current Assets	<u>424,408</u>

Capital Assets:

Land and other non-depreciable assets	0
Depreciable capital assets, net	40,559
Total Capital Assets	<u>40,559</u>

Noncurrent Assets:

Notes receivable	<u>192,891</u>
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Total Assets	<u>657,858</u>
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LIABILITIES

Current liabilities

Accounts payable	33,091
Accrued liabilities	25,682
Total Current Liabilities	<u>58,773</u>

Noncurrent Liabilities

Accrued compensated absences	9,497
Other noncurrent liabilities, restricted	23,854
Total Noncurrent Liabilities	<u>33,351</u>

Total Liabilities	<u>92,124</u>
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NET ASSETS

Invested in capital assets	40,559
Restricted	235,669
Unrestricted	289,506
Total Net Assets	<u>\$ 565,734</u>

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

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

OPERATING REVENUES

Other income \$ 149,405

TOTAL OPERATING REVENUE 149,405

OPERATING EXPENSES

Administrative 342,639

General expense 7,315

Housing assistance payments 1,125,605

Ordinary maintenance and operation 10,500

Depreciation expense 1,755

TOTAL OPERATING EXPENSES 1,487,814

OPERATING INCOME (LOSS) (1,338,409)

NONOPERATING REVENUES

Federal operating grants 1,611,867

Loss on sale of assets (69,502)

Interest income 3,090

TOTAL NONOPERATING REVENUES 1,545,455

CHANGE IN NET ASSETS 207,046

NET ASSETS, BEGINNING OF YEAR 358,688

NET ASSETS, END OF YEAR \$ 565,734

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

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and other deposits	\$ 149,405
Payments to vendors	(247,267)
Payments to landlords	(1,125,605)
Payments to employees	(303,146)
Net Cash Used by Operating Activities	<u>(1,526,613)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received	<u>1,611,867</u>
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>1,611,867</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Loss on sale of assets	(69,502)
Acquisition and construction of capital assets	<u>27,293</u>
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(42,209)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>3,090</u>
Net Cash Provided (Used) from Investing Activities	<u>3,090</u>

Net Increase (Decrease) in Cash and Cash Equivalents	46,135
Cash - Beginning of year	<u>336,268</u>
Cash - End of year	<u>\$ 382,403</u>

Reconciliation of Cash	
Unrestricted	\$ 122,880
Restricted	<u>259,523</u>
Total Cash and Cash Equivalents	<u>\$ 382,403</u>

Continued

NOBLESVILLE HOUSING AUTHORITY
NOBLESVILLE, INDIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

RECONCILIATION OF OPERATING (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(1,338,409)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation		1,755
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		(160,361)
Prepaid expenses		0
Increase (Decrease) in:		
Accounts payable		(34,719)
Accrued liabilities		5,121
Net Cash Flows Provided (Used) by Operating Activities	\$	<u>(1,526,613)</u>

The accompanying notes are an integral part of these financial statements

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE A - Summary of Significant Accounting Policies:

The financial statements of the NOBLESVILLE HOUSING AUTHORITY ("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.

The NOBLESVILLE HOUSING AUTHORITY is a political subdivision both corporate and politic which was established under the provision of Indiana Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Authority has entered into annual contributions contracts with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of the Housing Choice Voucher and New Construction programs formally referred to as the Section 8 programs (Contract Nos. C-2056 and C-2066).

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 Noblesville Housing Authority, a primary government. Although it is legally separate from the Noblesville Housing Authority, HAND, Inc. is reported as if it is part of the primary government because its sole purpose is to work in conjunction with the Housing Authority to assist with providing housing for low and moderate income individuals and share no more than one-third the same governing boards, accordingly Hand, Inc. financial information has been blended with the Housing Authority.

The financial statements of the Noblesville Housing Authority include the following:

The Authority had 185 Housing Choice Voucher units in management at December 31, 2008; the New Construction program units of 71 ended 7/1/2008:

<u>Project</u>	<u>Units</u>
Vouchers	<u>185</u>

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.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

(Continued)

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

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.

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 three net asset categories:

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.

Restricted - Net assets whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service. The Authority has restricted funds totaling \$86,107 that represents excess HAP grant funding provided by the Department of Housing & Urban Development for the sole purpose of providing assistance payments to eligible individuals through the Housing Choice Voucher Program. This amount represents the total amount of excess Authority to retain these funds for future housing assistance payments. The requirements imposed by HUD represent a legally enforceable requirement upon this program.

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.

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.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)

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

Cash and Cash Equivalents - Deposits consist of Checking and Savings accounts 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 Deposits to be cash equivalents. There were no noncash investing, non capital, capital and financing activities during the year.

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 funds for which the applicable cash transfer had not been made as of the balance sheet date.

Tenant Receivables - Receivables (if any) for charges are reported at net of an allowance for doubtful accounts. The Authority board takes monthly action as required to write off specific uncollectible accounts receivable balances.

Prepaid - Prepaid represent payments made to vendors for services that will benefit beyond December 31, 2008.

Capital Assets - Capital assets purchased 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 \$250 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>
Office equipment	5-10 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.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

(Continued)

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

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.

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, and then restricted resources as they are allowed.

NOTE B - Deposits, Cash and Cash Equivalents, and Investments:

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.

2. Risk Disclosures

A. Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At year end, all the Authority's deposits and investments were either available on demand or have maturities of less than two years.

B. Credit Risk: This is a risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

At December 31, 2008, the carrying amount of the Authority's deposits was \$382,403. 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.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)

NOTE B - Deposits, Cash and Cash Equivalents, and Investments: (Continued)

Deposits consist of the following:

Checking and Savings accounts	<u>\$ 382,403</u>
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Restricted cash consists of the following:

Section 8 HAP	\$ 86,107
Family Self Sufficiency Escrow	23,854
McKinney Act Refunding Agreement	145,914
Disaster Housing Grant	<u>3,648</u>
 Total	 <u>\$ 259,523</u>

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2008, consist of the following:

Accounts receivable - HUD	\$ 33,101
Accounts receivable - fraud recovery	6,148
Accounts receivable miscellaneous	<u>2,204</u>
 Total	 <u>\$ 41,453</u>

NOTE D - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance <u>12/31/07</u>	Increases	Decreases	Ending Balance <u>12/31/08</u>
Land	\$ 62,066	\$ 0	\$ (62,066)	\$ 0
Construction in Progress	<u>0</u>	<u>34,300</u>	<u>0</u>	<u>34,300</u>
	<u>62,066</u>	<u>34,300</u>	<u>(62,066)</u>	<u>34,300</u>
Capital Assets, being depreciated:				
Furniture, Equipment & Machinery	<u>23,076</u>	<u>0</u>	<u>(2,071)</u>	<u>21,005</u>
Less Accumulated Depreciation:	<u>(15,535)</u>	<u>(1,755)</u>	<u>2,544</u>	<u>(14,746)</u>
Total Capital Assets, being depreciated	<u>7,541</u>	<u>(1,755)</u>	<u>473</u>	<u>6,259</u>
Capital Assets, Net	<u>\$ 69,607</u>	<u>\$ 32,545</u>	<u>\$ (61,593)</u>	<u>\$ 40,559</u>

For the year ended December 31, 2008, depreciation expense in the amount of \$1,755 was recorded.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008
(Continued)

NOTE E - Notes Receivable:

Notes Receivable at December 31, 2008, consist of the following:

Forgivable Notes	\$ 85,891
Long term notes receivable	<u>107,000</u>
 Total	 <u>\$ 192,891</u>

The Authority has provided a note receivable to Spicewood Garden Apartments, LLP. The maturity date of the note is February 18, 2009. The interest rate is 3%.

The Authority has provided notes receivable to the purchasers of home ownership homes. These notes are forgivable at 10% per year.

NOTE F - Accounts payable:

Accounts payable at December 31, 2008, consist of the following:

Accounts payable - Vendors	\$ 3,091
Miscellaneous	<u>30,000</u>
 Total	 <u>\$ 33,091</u>

NOTE G - Accrued Liabilities:

Accrued Liabilities at December 31, 2008, consist of the following:

Accrued Wage/Payroll Taxes Payable	\$ 15,761
Accrued Compensated absences	<u>9,921</u>
 Total	 <u>\$ 25,682</u>

NOTE H - Noncurrent Liabilities:

Noncurrent liabilities at December 31, 2008, consist of the following:

	<u>12/31/07</u>	<u>Additions</u>	<u>Decreases</u>	<u>12/31/08</u>
Accrued compensated absences	\$ <u>9,784</u>	\$ <u>0</u>	\$ <u>(287)</u>	\$ <u>9,497</u>

NOTE I - Other Noncurrent Liabilities:

Restricted assets at December 31, 2008, consist of the following:

	<u>12/31/07</u>	<u>Additions</u>	<u>Decreases</u>	<u>12/31/08</u>
Family Self Sufficiency				
Escrow Accounts	\$ <u>17,094</u>	\$ <u>6,760</u>	\$ <u>0</u>	\$ <u>23,854</u>

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

(Continued)

NOTE J - Federal Operating Grants:

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

Community Development Block Grant	\$ 154,645
Housing Choice Vouchers	1,103,491
Home and CHDO Grant	350,847
Disaster Grant	<u>2,884</u>
Total	<u>\$ 1,611,867</u>

NOTE K - 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 was one examination during the year ended December 31, 2008.

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.

NOTE L - 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.

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 right 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.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

(Continued)

NOTE M - Pension Plan: (Continued)

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

The Authority's contributions were calculated using the base salary amount of \$191,455 for participating employees. During the year ended December 31, 2008, the Authority's required and actual contributions amounted to \$15,316, and the employees contributed \$6,247. The Authority's contributions in 2007 were \$18,742 and in 2006 were \$13,942.

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 99% 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.

SUPPLEMENTAL FINANCIAL INFORMATION

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

COMBINING SCHEDULE OF PROGRAM NET ASSETS

DECEMBER 31, 2008

	Annual Contributions Contracts	
	C - 2066	C - 2056
	Section 8 New Construction	Section 8 Housing Choice Vouchers
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 0	\$ 8,077
Restricted cash and cash equivalents	0	109,961
Accounts receivable, net	0	10,264
Interprogram	0	33,527
Prepaid insurance	0	360
Total Current Assets	0	162,189
<u>Capital Assets:</u>		
Land and other non-depreciable assets	0	0
Depreciable capital assets, net	0	4,396
Total Capital Assets	0	4,396
<u>Noncurrent Assets:</u>		
Notes receivable	0	0
Total Assets	0	166,585
<u>LIABILITIES</u>		
<u>Current liabilities</u>		
Accounts payable	0	1,867
Interprogram	0	0
Accrued liabilities	0	13,809
Total Current Liabilities	0	15,676
<u>Noncurrent Liabilities</u>		
Accrued compensated absences	0	9,497
Other noncurrent liabilities, restricted	0	23,854
Total Noncurrent Liabilities	0	33,351
Total Liabilities	0	49,027
<u>NET ASSETS</u>		
Invested in capital assets	0	4,396
Restricted	0	86,107
Unrestricted	0	27,055
Total Net Assets	\$ 0	\$ 117,558

Community Development Block Grant	State / Local	Disaster Housing Assistance	HAND, Inc. Component Unit	Interprogram Elimination	Total
\$ 0	\$ 66,530	\$ 3,576	\$ 44,697	\$ 0	\$ 122,880
0	145,914	3,648	0	0	259,523
31,189	0	0	0	0	41,453
0	0	0	0	(33,527)	0
0	0	0	192	0	552
<u>31,189</u>	<u>212,444</u>	<u>7,224</u>	<u>44,889</u>	<u>(33,527)</u>	<u>424,408</u>
0	0	0	0	0	0
0	0	0	36,163	0	40,559
0	0	0	36,163	0	40,559
0	0	0	192,891	0	192,891
<u>31,189</u>	<u>212,444</u>	<u>7,224</u>	<u>273,943</u>	<u>(33,527)</u>	<u>657,858</u>
224	0	0	31,000	0	33,091
23,393	0	0	10,134	(33,527)	0
7,572	0	0	4,301	0	25,682
<u>31,189</u>	<u>0</u>	<u>0</u>	<u>45,435</u>	<u>(33,527)</u>	<u>58,773</u>
0	0	0	0	0	9,497
0	0	0	0	0	23,854
0	0	0	0	0	33,351
<u>31,189</u>	<u>0</u>	<u>0</u>	<u>45,435</u>	<u>(33,527)</u>	<u>92,124</u>
0	0	0	36,163	0	40,559
0	145,914	3,648	0	0	235,669
0	66,530	3,576	192,345	0	289,506
<u>\$ 0</u>	<u>\$ 212,444</u>	<u>\$ 7,224</u>	<u>\$ 228,508</u>	<u>\$ 0</u>	<u>\$ 565,734</u>

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Annual Contributions	
	C - 2066	C - 2056
	Section 8 New Construction	Section 8 Housing Choice Vouchers
<u>OPERATING REVENUES</u>		
Other income	\$ 0	\$ 139,083
TOTAL OPERATING REVENUE	0	139,083
<u>OPERATING EXPENSES</u>		
Administrative	0	125,201
General expense	0	5,907
Housing assistance payments	0	1,125,605
Ordinary maintenance and operation	0	0
Depreciation expense	0	1,341
TOTAL OPERATING EXPENSES	0	1,258,054
OPERATING INCOME (LOSS)	0	(1,118,971)
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Federal operating grants	0	1,103,491
Loss on sale of assets	0	0
Interest income	0	1,516
TOTAL NONOPERATING REVENUES	0	1,105,007
CHANGE IN NET ASSETS	0	(13,964)
TOTAL NET ASSETS - BEGINNING OF YEAR as originally stated	7,036	124,486
Prior period adjustments and transfers	(7,036)	7,036
TOTAL NET ASSETS - BEGINNING OF YEAR as restated	0	131,522
NET ASSETS, END OF YEAR	\$ 0	\$ 117,558

Community Development Block Grant	State / Local	Disaster Housing Assistance	HAND, Inc. Component Unit	Total
\$ 0	\$ 0	\$ 0	\$ 10,322	\$ 149,405
<u>0</u>	<u>0</u>	<u>0</u>	<u>10,322</u>	<u>149,405</u>
153,781	1,667	0	61,990	342,639
864	0	0	544	7,315
0	0	0	0	1,125,605
0	0	0	10,500	10,500
0	0	0	414	1,755
<u>154,645</u>	<u>1,667</u>	<u>0</u>	<u>73,448</u>	<u>1,487,814</u>
<u>(154,645)</u>	<u>(1,667)</u>	<u>0</u>	<u>(63,126)</u>	<u>(1,338,409)</u>
154,645	0	2,884	350,847	1,611,867
0	1,835	0	(71,337)	(69,502)
0	1,366	208	0	3,090
<u>154,645</u>	<u>3,201</u>	<u>3,092</u>	<u>279,510</u>	<u>1,545,455</u>
<u>0</u>	<u>1,534</u>	<u>3,092</u>	<u>216,384</u>	<u>207,046</u>
0	210,910	4,132	12,124	358,688
0	0	0	0	0
0	210,910	4,132	12,124	358,688
<u>\$ 0</u>	<u>\$ 212,444</u>	<u>\$ 7,224</u>	<u>\$ 228,508</u>	<u>\$ 565,734</u>

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>ANNUAL CONTRIBUTION CONTRACT</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>BUDGET</u>	<u>EXPENDITURES</u>
	<u>U. S. DEPARTMENT OF HUD</u>			
	Home Investment Partnerships	14.239	\$ 300,847	\$ 300,847
C-2066	Community Development Block Grant	14.218	204,645	204,645
C-2056	Section 8 Housing Choice Voucher Program	14.871	<u>1,103,491</u>	<u>1,103,491</u>
TOTAL HUD FUNDING			<u>1,608,983</u>	<u>1,608,983</u>
	<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>			
	Disaster Assistance Grant	97.109	<u>2,884</u>	<u>2,884</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 1,611,867</u>	<u>\$1,611,867</u>

Notes to Schedule of Expenditures of Federal Awards:

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting as described in Note A to the Financial Statements.

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
Noblesville Housing Authority
320 Kings Lane
Noblesville, Indiana 46060-2423

I have audited the financial statements of the Noblesville Housing Authority, as of and for the year ended December 31, 2008 and have issued my report thereon dated August 27, 2009. 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 Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

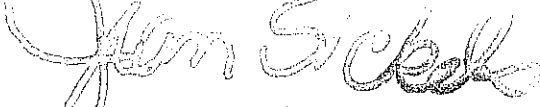
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. I did not identify 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 Noblesville 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 the management of the Noblesville Housing Authority in a separate letter dated August 27, 2009.

This report is intended solely for the information and use of the audit committee, management, Department of Housing and Urban Development, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountant

Fredericksburg, Indiana
August 27, 2009

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

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

Board of Commissioners
Noblesville Housing Authority
320 Kings Lane
Noblesville, Indiana 46060-2423

Compliance

I have audited the compliance of the Noblesville Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The Noblesville Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Noblesville Housing Authority's management. My responsibility is to express an opinion on the Noblesville Housing Authority's compliance based on my audit.

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

In my opinion, the Noblesville Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Noblesville Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Noblesville Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the audit committee, management, Department of Housing and Urban Development, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Alan Siebel

Certified Public Accountant

Fredericksburg, Indiana
August 27, 2009

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

DECEMBER 31, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
~ Material weakness(es) identified? yes X no
~ Significant deficiencies identified that are
not considered to be material weaknesses? 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 deficiencies identified that are
not considered to be material weakness(es)? 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 Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.239	Home Investment Partnerships
14.871	Housing Choice Vouchers

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

Auditee qualified as low-risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no Financial Statement Findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

DECEMBER 31, 2008

STATUS OF PRIOR FINDINGS AND CURRENT FINDINGS

PRIOR YEAR FINDINGS

There were no prior year findings.

CURRENT YEAR FINDINGS

There are no current year findings.

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

phone (812) 472-3527

fax (812) 472-3649

cell (404) 307-5903

August 27, 2009

Management and
Board of Commissioners of the
Noblesville Housing Authority
Noblesville, Indiana

In planning and performing my audit of the financial statements of the Noblesville Housing Authority as of and for the period ended December 31, 2008, I considered the Authority's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during my audit, I became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect my report dated August 27, 2009 on the financial statements of the Authority.

I will review the status of the comment during my next audit engagement. I have already discussed the comment and suggestion with Authority personnel, and will be pleased to discuss the comment in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendation. My comment is summarized as follows:

1. **CONDITION: VMS SUBMISSIONS**

The Authorities General Ledger shows HAP of \$1,003,469 and shows a FASS total of \$1,001,157, a difference of \$2,312.

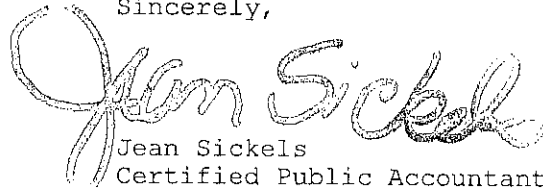
RECOMMENDATION:

The Authority should resubmit and correct the error.

I wish to thank the Executive Director and the staff of the Authority for their support and assistance during my audit.

This report is intended solely for the information and use of the Board of Commissioners, Management, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Jean Sickels
Certified Public Accountant