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State Examiner

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April 23, 2025

Board of Commissioners
Huntingburg Housing Authority
Dubois County, Indiana

We have reviewed the audit report of the Huntingburg Housing Authority which was opined upon by Polcari and Company, Independent Public Accountant, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Huntingburg Housing Authority as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings included in the report on pages 33 through 35. The Authority's Response appears on pages 36 through 39.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

Huntingburg Housing Authority
Huntingburg, Indiana
FINANCIAL STATEMENTS

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HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2023

Management's Discussion and Analysis

As management of the Housing Authority of the City of Huntingburg, 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, 2023. 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 Heidi Reller, 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 Position – 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 Position 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 Position, 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 Position and changes in them. One can think of the Authority's Net Position as the difference between what the Authority own's (assets) to what the Authority owes (liabilities). The change in Net Position analysis will assist the reader with measuring the health or financial position of the Authority. (Continued)

Over time, significant changes in the Authorities Net Position are an indicator of whether its financial health is improving or deteriorating.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2023

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.

Condensed Comparative Financial Statements

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

Total Net Position for FYE 2023 was \$1,081,839 and at FYE 2022 the amount was \$1,015,391. This represents a net increase of \$66,448, or 6.6%.

Current Assets increased by \$103,354, or by 54.3%. This increase is primarily the result of an increase in cash equivalents.

Capital Assets decreased by \$54,589, or by 6.1%. The change in Capital Assets will be presented in the section entitled Analysis of Capital Asset Activity.

Current Liabilities decreased by \$16,605, or by 38.8%. This change in current liabilities was due to decreases amounts due to other governmental entities.

Non-Current Liabilities decreased by \$5,699, or by 17.7%. this change is mainly attributable to a decrease in accrued pension liabilities.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>	<u>Percent Variance</u>
Cash & Cash Equivalents	\$ 130,749	\$ 40,313	\$ 90,436	224.3%
Other Current Assets	163,097	150,179	12,918	8.6%
Capital Assets & Other Assets	836,259	890,848	(54,589)	-6.1%
Deferred Outflows of Resources	<u>9,126</u>	<u>10,523</u>	<u>(1,397)</u>	<u>-13.3%</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,139,231</u>	<u>\$ 1,091,863</u>	<u>\$ 48,765</u>	<u>4.5%</u>
Current Liabilities	\$ 26,172	\$ 42,777	\$ (16,605)	-38.8%
Non Current Liabilities	26,470	32,169	(5,699)	-17.7%
Deferred Inflows of Resources	<u>4,750</u>	<u>1,526</u>	<u>3,224</u>	<u>211.3%</u>
Total Liabilities and Deferred Inflows of Resources.	<u>57,392</u>	<u>76,472</u>	<u>(19,080)</u>	<u>-25.0%</u>
Investment in Capital Assets	836,259	890,848	(54,589)	-6.1%
Unrestricted Net Position	<u>245,580</u>	<u>124,543</u>	<u>121,037</u>	<u>97.2%</u>
Net Position	<u>1,081,839</u>	<u>1,015,391</u>	<u>66,448</u>	<u>6.5%</u>
Total Liab and Net Position	<u>\$ 1,139,231</u>	<u>\$ 1,091,863</u>	<u>\$ 66,448</u>	<u>6.1%</u>

Analysis of Entity Wide Revenues (Statement of Activities)

Total Revenue for FYE 2023 was \$500,334 and for FYE 2022 the amount was \$345,898 for an increase of \$144,630, or by 41.8%. Primarily, this change occurred due to increases in HUD Grants and Other Grants.

Tenant Revenue increased by \$13,198, or by 7.4%

HUD Grants increased by \$72,468, or by 45.70%

Other Income increased by \$5,746, or by 80.40%.

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>	<u>Percentage Change</u>
Total Tenant Revenue	\$ 192,536	\$ 179,338	\$ 13,198	7.40%
HUD Grants	231,007	158,539	72,468	45.70%
Capital Grants	50,000	0	50,000	100.00%
Other Government Grants	9,806	0	9,806	100.00%
Other Income	12,890	7,144	5,746	80.40%
Investment Income	<u>4,095</u>	<u>877</u>	<u>3,218</u>	<u>100.00%</u>
Total Revenue	<u>\$ 500,334</u>	<u>\$ 345,898</u>	<u>\$ 154,436</u>	<u>44.60%</u>

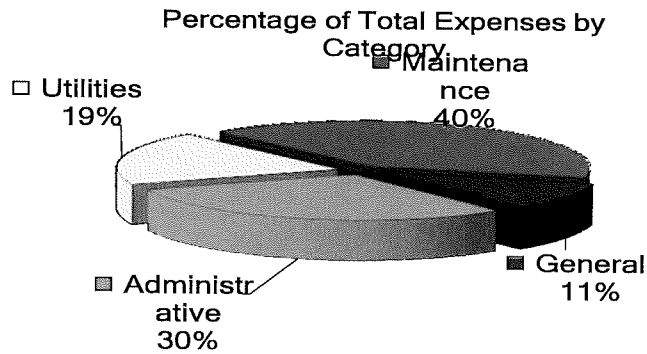
HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2023
Analysis of Entity Wide Expenditures

Total Expenses for FYE 2023 were \$433,886 as compared to the \$583,671 of total expenditures for FYE 2022. Comparatively, FYE 2022 expenditures exceeded FYE 2023 expenses by \$176,691, or by 30.3%.

This overall decrease is largely attributable to a large decrease in Maintenance expenditures in the amount of \$176,741, or by 63.0%.

The table below illustrates our analysis:

	2023	2022	Net Change	Percent Variances
Administrative	159,826	133,400	26,426	19.8%
Tenant Services	0	828	-828	-100.0%
Utilities	70,003	64,059	5,944	9.3%
Maintenance	104,212	280,953	-176,741	-62.9%
Protective Services	913	751	162	21.6%
General Expense	42,116	43,429	-1,313	-3.0%
Total Operating Expenditures	377,070	523,420	-146,350	-28.0%
Extraordinary Maintenance	0		0	0.0%
Depreciation Expense	56,816	60,251	-3,435	-5.7%
Total Expenses	\$433,886	\$583,671	-149,785	-25.7%



HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2023

Analysis of Capital Asset Activity

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>	<u>Percent Variance</u>
Land	\$ 14,750	\$ 14,750	\$ -	0.0%
Buildings	2,652,782	2,652,782	-	0.0%
Furniture, Equip., & Machinery	360,287	360,287	-	0.0%
Infrastructure	108,120	108,120	-	0.0%
Construction In Progress	-	-	-	0.0%
Leasehold Improvements	<u>569,585</u>	<u>569,585</u>	-	<u>0.0%</u>
Total Capital Assets	3,705,524	3,705,524	-	0.0%
Accumulated Depreciation	<u>2,869,265</u>	<u>2,814,676</u>	54,589	1.9%
Net Capital Assets	<u>\$ 836,259</u>	<u>\$ 890,848</u>	<u>\$ (54,589)</u>	<u>-6.1%</u>

Modernization work completed under the Capital Fund Grant program is temporarily charged to construction in process. When all of the funds allocated to a specific grant have been fully expended, approved by HUD, and audited, the work items are moved from construction in process and placed into the Capital Assets. Depreciation normally begins at this point, however, commence earlier, depending on circumstances.

Overall net capital assets decreased by \$54,589 due to the depreciation expense for the year of \$54,589.

More detailed information about the capital assets is presented in the Notes to the Financial Statements.



Polcari & Co.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Huntingburg Housing Authority
Huntingburg, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Net Position, Revenue, Expenses, and Changes in Net Position, and Cash Flows of the Huntingburg Housing Authority, as of and for the years ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Huntingburg Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of December 31, 2023, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Huntingburg Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Huntingburg Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITORS' REPORT

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Huntingburg Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Huntingburg Housing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-5 and the Schedule of Proportionate Share of Net Pension Liability and Schedule of Authority Contributions to the Public Employee Retirement System on pages 23-24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT
(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Huntingburg Housing Authority's basic financial statements. The Financial Data Schedule is presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024, on our consideration of the Huntingburg Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Huntingburg Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Huntingburg Housing Authority's internal control over financial reporting and compliance.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 27, 2024

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
STATEMENT OF NET POSITION
At December 31, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	130,749
Tenant Security Deposits		13,299
Accounts Receivable - Tenants (Net of Allowance for Doubtful Accounts of \$5,685 and \$2,225 Respectively)		15,842
Accounts Receivable - Other		-
Investments - Unrestricted		113,917
Inventories (Net of Allowance for Obsolete Inventories of \$0 and \$20 Respectively)		17,121
Prepaid Expenses and Other Current Assets		2,918
Total Current Assets		293,846

FIXED ASSETS

Land		14,750
Buildings and Improvements		3,330,487
Dwelling Equipment		155,069
Furniture & Equipment		205,218
Total Fixed Assets		3,705,524
Less: Accumulated Depreciation		(2,869,265)
Net Fixed Assets		836,259

OTHER ASSETS

Deferred Outflow or Resources		9,126
Total Assets	\$	1,139,231

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses:		
Vendors and Contractors	\$	3,841
Accrued Expenses		8,511
Due to Tenants:		
Security Deposits		13,299
Deferred Revenue		521
Due to Other Governments		-
Total Current Liabilities		26,172
Pension Liability		26,470
Total Liabilities		52,642

DEFERRED INFLOW OF RESOURCES

Deferred Inflow of Resources		4,750
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NET POSITION

Net Investment in Capital Assets		836,259
Unrestricted		245,580
Total Net Position		1,081,839

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2023

OPERATING REVENUES

Tenant Rental and Other Revenue	\$	192,536
HUD Grants - Operating		231,007
Other Government Grants		9,806
Other Income		12,890
Total Revenues		446,239

OPERATING EXPENSES

Administration		159,826
Utilities		70,003
Ordinary Maintenance and Operations		104,212
Protective Services		913
General Expense		42,116
Depreciation and Amortization Expense		56,816
Total Operating Expenses		433,886

EXCESS OF OPERATING EXPENSES OVER REVENUES		12,353
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Non Operating Revenues/(Expenses):

Capital Grants		50,000
Interest Income		4,095
		4,095

INCREASE IN NET POSITION		66,448
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Beginning Net Position		1,015,391
		1,015,391

Ending Net Position	\$	1,081,839
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HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received:	
From Tenants for Rental and Other Income	\$ 182,905
From Government Agencies for Operating Grants	231,007
For Other Operating Revenues	22,696
Cash Paid:	
To Employees for Operations	(176,071)
To Suppliers for Operations	(220,609)
Net Cash Provided/(Used) by Operating Activities	39,928

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of Property and Equipment Net	-
Capital Grants Received	50,000
Net Cash Provided/(Used) by Capital and Related Financing Activities	50,000

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received/(Paid) for Investments	(3,587)
Cash Used for (Repayment)/Receipt of Tenant Security Deposits	800
Investment Income	4,095
Net Cash Provided by Investing Activities	1,308
Net Increase/(Decrease) in Cash and Cash Equivalents	91,236
Cash and Equivalents at the Beginning of the Period	52,812
Cash and Equivalents at the End of the Period	\$ 144,048

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET

CASH PROVIDED/(USED) BY OPERATIONS

Operating Income/(Loss)	\$ 12,353
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Depreciation	54,589
Net Deferred Inflow & Outflows of Resources	4,621
Decrease/(Increase) in Assets	
Accounts Receivable - Tenants	(8,522)
Prepaid Expenses and Other Current Assets	(9)
Inventories	-
Increase/(Decrease) in Liabilities	
Accounts Payable and Accrued Expenses	3,994
Deferred Revenue	(1,109)
Other Accrued Liabilities	(5,699)
Due to Other Government Agencies	(20,290)
Net Cash Provided/(Used) by Operating Activities	\$ 39,928

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – Summary of Organization, Activities and Significant Accounting Policies:

- 1. Organization and Activities** – The Huntingburg Housing Authority (the Authority) is a governmental, public corporation created under federal and state housing laws as defined by the State of Indiana. The Authority is governed by a board of seven members who serve five-year terms. The governing board is essentially autonomous but is responsible to the U.S. Department of Housing and Urban Development and the State of Indiana. An executive director is appointed by the housing authority's Board to manage the day-to-day operations of the Authority. The Authority is responsible for the development, maintenance and management of public housing for low- and moderate-income families residing in the City of Huntingburg Indiana. Operating and modernization subsidies are provided to the Authority by the federal government. The Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity. The Authority has concluded that it is excluded from the City's reporting entity since the City does not designate management, does not influence operations, does not have responsibility for fiscal matters and does not have a funding relationship with the Authority.

The combined financial statements include all accounts of the Authority. The Authority is the lowest level of government over which the Authority's Board of Commissioners and Executive Director exercise oversight responsibility. The federally funded programs administered by the Authority are detailed on the Financial Data Schedule which is included as Supplemental Information.

2. Significant Accounting Policies

Basis of Accounting – The financial statements of the Authority are prepared using the accrual basis of accounting in order to recognize the flow of economic resources. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses recognized in the period incurred, if measurable. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities. All assets, liabilities, net position, revenue and expenses are accounted for using a single enterprise fund for the primary government.

Revenue – The major sources of revenue are various subsidies and grants received from the United States Department of Housing and Urban Development, charges to tenants and other miscellaneous revenues discussed below.

Federal Grant Revenue – Operating subsidies, and Capital Fund Program revenue received from HUD are recorded under the accrual method of accounting and are recognized in the period earned in accordance with applicable HUD guidelines. The Authority is generally entitled to receive funds from HUD under an established payment schedule or as expenditures are made under the Capital Fund Program or Comprehensive Improvements Assistance Program.

Tenant Charges – Rental charges to tenants are determined and billed monthly and are recognized as revenue when billed since they are measurable and collectible within the current period. Amounts not collected at year-end are included in the balance sheet as accounts receivable, and amounts paid by tenants for the subsequent fiscal year are recorded as deferred revenue.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – Summary of Organization, Activities and Significant Accounting Policies (Continued):

Miscellaneous Income – Miscellaneous revenue consists primarily of miscellaneous service fees. The revenue is recorded as earned since it is measurable and available.

Deferred Outflows of Resources—In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has one items that meet this criterion: pension deferrals.

Deferred Inflows of Resources—In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has one items that meet the criterion for this category: pension deferrals.

Report Presentation – The financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to governmental entities for Proprietary Fund Types. The Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments” (Statement No. 34). The Authority also adopted the provisions of Statement No. 37 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus” and Statement NO. 38 “Certain Financial Statement Note Disclosures”, which supplement Statement No. 34. Statement No. 34 established standards for all state and local governmental entities that include a statement of net assets, a statement of activities and a statement of cash flows. It requires the classification of net assets into three components – Invested in Capital Assets, Net of Related Debt; Restricted Net Assets and Unrestricted Net Assets. Statement No. 63 requires the re-naming of the Statement of Net Assets to the Statement of Net Position. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position. These classifications are defined as follows:

Net Investment in Capital Assets – This component consists of land, construction in progress and depreciable assets, net of accumulated depreciation and net of the related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of Invested in Capital Assets, Net of Related Debt. Rather, that portion of the debt is included in the same net asset component as the unspent proceeds.

Restricted Net Position – This component includes net assets subject to restrictions placed on net asset use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – Summary of Organization, Activities and Significant Accounting Policies (Continued):

Unrestricted Net Position – This component consists of net assets that do not meet the definition of Restricted Net Position or Invested in Capital Assets, Net of Related Debt. The adoption of Governmental Accounting Standards Board Statements 34, 37 and 38 have no significant effect on the basic financial statements, except for the classification of net position in accordance with Statement No. 34.

Significant accounting policies are as follows:

- 1 – Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include cash in banks, petty cash and certificates of deposit, and other investments with original maturities of less than three months from the date of purchase. Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.
- 2 – Collection losses on accounts receivable are charged against an allowance for doubtful accounts.
- 3 – Buildings and equipment are recorded at cost for all programs and depreciation is computed on the straight line basis. Interest costs necessary to place a Capital Asset in its intended location and condition are capitalized.
- 4 – Repairs funded out of operations, such as painting, roofing and plumbing, are charged against income for all programs.
- 5 – The Authority is subsidized by the Federal Government. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal and State income tax returns.
- 6 – Operating subsidies received from HUD are recorded as income when earned.
- 7 – The cost of accumulated unpaid compensated absences, including fringe benefits, is reported in the period earned rather than in the period paid.
- 8 – Prepaid expenses represent payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.
- 9 – Inventories in the Proprietary Fund consist of supplies and are recorded at the weighted average cost.
- 10 - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.
- 11 - The Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.
- 12 – The Authority does not have any infrastructure assets for its Proprietary Fund.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – Summary of Organization, Activities and Significant Accounting Policies (Continued):

13 – Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which the transactions are executed.

Accounting for Impairment or Disposal of Long-Lived Assets

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset, and long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell. As of December 31, 2023, the Authority has not recognized any reduction in the carrying value of its fixed assets.

Budgetary Policy and Control

The budget, it is formally adopted by resolution of the Housing Authority's Board of Commissioners. Once adopted, the Board of Commissioners may amend the adopted budget when unexpected modifications are required in estimated revenues and expenses. Each fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by expense classification within each revenue source.

Estimates

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

NOTE 2 – Cash and Cash Equivalents

The Authority maintains cash and investments in local banks.

Cash and Cash Equivalents (including tenant security deposits) \$144,048 at December 31, 2023 consisted of the following:

Checking Accounts	\$ 130,749
Tenant Security Deposit Accounts	<u>13,299</u>
Total Cash and Equivalents	<u>\$ 144,048</u>

The carrying amount of the Authority's cash and cash equivalents including tenant security deposits as of December 31, 2023, was \$144,048 and the bank balances were \$169,868. Of the bank balances, \$169,868 was covered by FDIC insurance. Cash equivalents, except petty cash are held in the Authority's name. The Authority's cash and cash equivalents are categorized as prescribed in GASB 40 to give an indication of the level of risk assumed by the Authority.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 – Investments

Investments of 113,917 at December 31, 2023, consist of one certificate of deposit.

The certificates of deposit have varying maturity dates greater than three months from the date of purchase and are stated at fair value in the Statement of Net Position, with all gains and losses included in the Statement of Activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest income is recorded on the accrual basis.

Interest rates on the certificates varied from .1% to 4% during the current fiscal year. Investments are measured at fair value. Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are adjusted quoted market prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. Level 1 inputs provide the most realizable measure of fair value as of the measurement date.

Level 2 inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 inputs are significant unobservable inputs for the asset or liability. The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

All of the Authority's investments at December 31, are included in Level 2 of the hierarchy
All of the Certificates of Deposit were covered by FDIC Insurance.

NOTE 4 – Tenant Accounts Receivable

The Authority carries its tenant accounts receivable at cost less the allowance for uncollectable accounts. On a periodic basis the Authority reviews its receivable and establishes an allowance for uncollectable accounts based on previous history, collections and age of receivables. Accounts are written off when management determines that a sufficient period of time has elapsed without receiving payment. The accounts to be written off are present to the board for approval.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – Capital and Right of Use Assets

Fixed assets consist primarily of expenditures to acquire, construct, place in operation and improve the facilities of the Authority and are stated at cost, less accumulated depreciation. The following is a summary of the changes in general fixed assets for the fiscal years ended December 31, 2023:

	Balance January 1, 2023	Additions	Disposals	Balance December 31, 2023
Land	\$ 14,750	\$ -	\$ -	\$ 14,750
Buildings and Improvements	3,330,487	-	-	3,330,487
Dwelling Equipment	155,069	-	-	155,069
Furniture and Equipment	205,218	-	-	205,218
Total Fixed Assets	\$ 3,705,524	\$ -	\$ -	\$ 3,705,524
Accumulated Depreciation	(2,814,676)	(54,589)	-	(2,869,265)
Net Fixed Assets	<u>\$ 890,848</u>	<u>(54,589)</u>	<u>\$ -</u>	<u>\$ 836,259</u>

Depreciation expense for the fiscal years ended December 31, 2023, was \$54,589. Expenditures are capitalized when they meet the Authority's Capitalization policy. Under that policy, assets purchased or constructed at a cost not exceeding \$2,000 are expensed when incurred.

Depreciation of Fixed Assets is provided using the straight-line method for reporting purposes at rates based upon the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	40
Furniture and Equipment	5
Vehicles	5
Computers	3

NOTE 6 – Payment in Lieu of Taxes (PILOT)

Under Federal, State and local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes (PILOT) for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended December 31, 2023, PILOT expense was accrued in the amount of \$9,806. However subsequent to the Authority's year end, on June 25, 2024, the Common Council of the City of Huntingburg waived the PILOT payment for December 31, 2023.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 – Accrued Compensated Absences

Accrued compensated absences were \$0 at December 31, 2023. Accrued compensated absences represents the amount of accumulated leave for which employees are entitled to receive payment in accordance with the Authority's Personnel Policy. Employees may be compensated for accrued vacation leave earned up to 18 days in the event of retirement or termination of service. Employees may accumulate up to 10 sick days and maybe compensated for accumulated sick leave in the event of retirement, with Board approval.

NOTE 8- Pension Plan

Plan Description - The Authority participates in the Indiana Public Employees Retirement Fund (PERF) Defined Benefit Plan which is sponsored and administered by the Indiana Public Retirement System (INPRS). PERF is a cost-sharing, multiple-employer defined benefits pension plan administered by the State of Indiana, Public Retirement System. PERF issues a publicly available report that can be obtained at the following website: www.in.gov/inprs/publications/actuarial-valuation-reports.

The below amounts relating to pension liability, deferred outflows, inflows and amortization of deferred inflows and outflows are based on estimated amounts provided to INPRS. The Authority failed to report wages during the measurement date causing the audited amounts to be inaccurate. The amounts were calculated by INPRS as an unaudited special estimate to provide reasonable estimates for pension liability, and related deferred outflows and inflows.

Benefits Provided – Retirement benefits consist of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits vest after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account

A member who has reached the age of 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position.

A member who has read age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such is entitled to 100% of the pension benefit.

A member who is at least 55 years old with sum of age and service equal to 85 or more is eligible for normal retirement and, as such is entitled to 100% of the pension benefit.

The PERF Hybrid plan also provides disability and survivor benefits.

Contributions: Contributions are determined by the Board based on an actuarial valuation. Employers contribute 11.2% of covered payroll, with 0.72% from July 2022 to December 2022 and 0.66% from January 2023 to June 2023 funding a supplemental reserve account for postretirement benefit increases. No member contributions are required.

HUNTINGBURG HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

NOTE 8 – Pension Plan - Continued

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the measurement date, the Authority reported a pension liability of \$26,470, for its proportionate share of the net pension liability. The Authority's portion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's allocation percentage as of June 30, 2023 was .0000025%.

The components of the Authority's net pension asset as of December 31, 2023 were determined as of the measurement dates of June 30, 2023, the most recent evaluation date is as follows:

	<u>Total</u>	<u>Estimated</u>
Total Pension Liability	\$ 18,415,248,366	\$ 182,307
Plan Fiduciary Net Position	<u>14,885,914,366</u>	<u>151,836</u>
Net Pension Liability	<u>\$ 3,529,334,000</u>	<u>\$ 26,470</u>

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERF financial report.

Actuarial Assumptions – The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2023 using member census data as of June 30, 2023. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date. The valuation was performed using the assumptions in place at the time for the valuation as reported within the System's ACFR as of June 30, 2023.

Additional information can be found on the INPRS website at: www.in.gov/inprs/annualreports.htm.

Actuarial Cost Method:	Entry Age Normal- Level Percent of Payroll
Asset Valuation Method:	Five year smoothing of gains and losses on the fair value of assets subject to a 20% corridor
Long Term Expected Rate of Return:	6.25%
Discount Rate:	6.25%
Salary Increases:	
Inflation:	2.00%
COLA:	.04-.06%
Future Salary Increases, including inflation:	2.65 to 8.65 %
Mortality	The mortality tables are based on the Pub-2010 family tables. Mortality tables are projected generationally using SOA Scale MP-2019.

HUNTINGBURG HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

NOTE 8 – Pension Plan - Continued

The actuarial assumptions and methods used in the June 30, 2023 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in May 2023. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in June 2022.

To maximize the probability of achieving the target rate of return over a 30-year time horizon, INPRS's Board of Trustees approved a new asset allocation on May 7, 2021 that included an increased use of leverage. The explicit leverage enables the Plan to obtain additional investment exposure, which results in an asset allocation that exceeds 100% of invested assets. Beginning in fiscal year 2022, the plan's target allocation for total exposure is 115%. Further details of INPRS's leverage policy are available in the Investment Policy Statement.

<u>Global Asset Class</u>	<u>Target Allocation</u>		<u>Target Range</u>	
Public Equity	20.0	%	17.0 to 23.0	%
Private Markets	15.0		10.0 to 20.0	
Fixed Income- Ex Inflation-Linked	20.0		17.0 to 23.0	
Fixed Income - Inflation - Linked	15.0		12.0 to 18.0	
Commodities	10.0		7.0 to 13.0	
Real Assets	10.0		5.0 to 15.0	
Absolute Return	5.0		0.0 to 10.0	
Risk Parity	20.0		15.0 to 25.0	

Discount Rate - The discount rate used to measure the total pension liability was 6.25% as of June 30, 2023 and is equal to the long term expected return on plan investments net of administrative expenses. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.25% long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the TPL for each plan.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 – Pension Plan - Continued

Sensitivity of the Authority’s proportionate share of the net pension asset to changes in the discount rate- The following presents the estimated net pension liability of the Authority as of December 31, using the measurement dates of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	Decrease (5.25%)	Assumption (6.25%)	Increase (7.25%)
December 31, 2023	\$ 43,138	\$ 26,470	\$ 12,572

For the year ended December 31, 2023, the Authority recognized pension liability of \$26,470, At December 31, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Estimated Deferred Outflows of Resources	Estimated Deferred Inflows if Resources
Changes in Assumptions	\$ 1,443	\$ -
Differences between expected and actual experience	542	-
Net Difference between projected and actual earnings on plan investments	6,067	
Changes in Proportion	1,074	4,750
	\$ 9,126	\$ 4,750

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2024	\$ 1,600
2025	(890)
2026	2,841
2027	825
2028	-
Thereafter	-
	\$ 4,376

The amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) relate to pensions will be recognized in pension expense as shown in the above chart. The amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion.

HUNTINGBURG HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 11 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. During the year ended December 31, 2023, the Authority's risk management program, in order to deal with potential liabilities, consisted of various insurance policies for fire, general liability, crime, auto and public-officials' errors and omissions. Periodically, but not less than once annually, the Authority conducts a physical inspection of its Projects for the purpose of determining potential liability issues. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Settled claims relating to the commercial insurance have not exceeded the amount of insurance in any of the past three fiscal years.

NOTE 12 – Construction Commitments

At December 31, 2023, the Authority's outstanding construction commitments pertaining to its Capital Fund Programs were not material. The costs pertaining to such commitments will be paid by grants approved and committed to the Authority by the U.S. Department of Housing and Urban Development (HUD).

NOTE 13 – Economic Dependency

For the year ended December 31, 2023, a substantial portion of the Authority's revenues were received from the United States Department of HUD, which are subject to availability of funds and Congressional approval, as well as the Authority's compliance with Federal rules and regulations.

Note 14 – Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated subsequent events through September 27, 2024, the date on which the financial statements were available to be issued and concluded that one subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Huntingburg Housing Authority
Schedule of Proportionate Share of the Net Pension Liability
of the Public Employees Retirement System (PERS)
For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Housing Authority's Proportion of the Net Pension Liability	0.00025%	0.000102%	0.00095%	0.00095%	0.00095%	0.00094%	0.00095%	0.00082%
Housing Authority's Proportionate Share of the Net Pension Liability	26,470	32,169	12,501	28,694	31,398	31,932	42,385	\$ 37,215
Housing Authority's Covered Employee Payroll	49,663	58,702	60,278	51,121	50,395	48,188	46,957	\$ 39,985
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Employee Payroll	53.30%	54.80%	20.74%	56.13%	62.30%	66.27%	90.26%	93.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.29%	54.80%	20.74%	56.12%	62.30%	66.27%	90.26%	93.07%

The amounts determined for each fiscal year were determined as of June 30.

Huntingburg Housing Authority
 Schedule of Authority Contributions to the
 Public Employees Retirement System (PERS)
 For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	5,423	4,235	5,883	5,726	5,552	5,397	5,259	\$ 4,413
Contribution in Relation to the Contractually Required Contribution	(5,423)	(4,235)	(5,883)	(5,726)	(5,552)	(5,397)	(5,259)	\$ (4,413)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	49,663	37,810	60,278	51,121	50,395	48,188	\$ 46,957	\$ 3,985
Contribution as a Percentage of Covered Employee Payroll	10.92%	11.20%	9.76%	11.20%	11.02%	11.20%	9.75%	11.00%

The amounts determined for each fiscal year were determined as of June 30.

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

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2023

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$130,749	\$130,749	\$130,749
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$13,299	\$13,299	\$13,299
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$144,048	\$144,048	\$144,048
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$18,230	\$18,230	\$18,230
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,388	-\$2,388	-\$2,388
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			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$15,842	\$15,842	\$15,842
131 Investments - Unrestricted	\$113,917	\$113,917	\$113,917
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$2,918	\$2,918	\$2,918
143 Inventories	\$17,121	\$17,121	\$17,121
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$293,846	\$293,846	\$293,846
161 Land	\$14,750	\$14,750	\$14,750
162 Buildings	\$2,652,782	\$2,652,782	\$2,652,782
163 Furniture, Equipment & Machinery - Dwellings	\$155,069	\$155,069	\$155,069
164 Furniture, Equipment & Machinery - Administration	\$205,218	\$205,218	\$205,218
165 Leasehold Improvements	\$569,585	\$569,585	\$569,585
166 Accumulated Depreciation	-\$2,869,265	-\$2,869,265	-\$2,869,265
167 Construction in Progress			
168 Infrastructure	\$108,120	\$108,120	\$108,120
160 Total Capital Assets, Net of Accumulated Depreciation	\$836,259	\$836,259	\$836,259
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	\$0	\$0	\$0
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$836,259	\$836,259	\$836,259
200 Deferred Outflow of Resources	\$9,126	\$9,126	\$9,126
290 Total Assets and Deferred Outflow of Resources	\$1,139,231	\$1,139,231	\$1,139,231

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

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2023

	Project Total	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$3,841	\$3,841	\$3,841
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits	\$13,299	\$13,299	\$13,299
342 Unearned Revenue	\$521	\$521	\$521
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities	\$8,511	\$8,511	\$8,511
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$26,172	\$26,172	\$26,172
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities	\$26,470	\$26,470	\$26,470
350 Total Non-Current Liabilities	\$26,470	\$26,470	\$26,470
300 Total Liabilities	\$52,642	\$52,642	\$52,642
400 Deferred Inflow of Resources	\$4,750	\$4,750	\$4,750
508.4 Net Investment in Capital Assets	\$836,259	\$836,259	\$836,259
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$245,580	\$245,580	\$245,580
513 Total Equity - Net Assets / Position	\$1,081,839	\$1,081,839	\$1,081,839
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,139,231	\$1,139,231	\$1,139,231

Housing Authority of the City of Huntingburg (IN028)
HUNTINGBURG, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2023

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$163,028	\$163,028	\$163,028
70400 Tenant Revenue - Other	\$29,508	\$29,508	\$29,508
70500 Total Tenant Revenue	\$192,536	\$192,536	\$192,536
70600 HUD PHA Operating Grants	\$231,007	\$231,007	\$231,007
70610 Capital Grants			
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	\$59,806	\$59,806	\$59,806
71100 Investment Income - Unrestricted	\$4,095	\$4,095	\$4,095
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	\$12,890	\$12,890	\$12,890
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$500,334	\$500,334	\$500,334
91100 Administrative Salaries	\$67,711	\$67,711	\$67,711
91200 Auditing Fees	\$10,520	\$10,520	\$10,520
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$23,657	\$23,657	\$23,657
91600 Office Expenses	\$3,094	\$3,094	\$3,094
91700 Legal Expense			
91800 Travel			
91810 Allocated Overhead			
91900 Other	\$54,844	\$54,844	\$54,844
91000 Total Operating - Administrative	\$159,826	\$159,826	\$159,826
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$10,094	\$10,094	\$10,094
93200 Electricity	\$37,165	\$37,165	\$37,165
93300 Gas	\$8,144	\$8,144	\$8,144
93400 Fuel			
93500 Labor			
93600 Sewer	\$14,600	\$14,600	\$14,600
93700 Employee Benefit Contributions - Utilities			

Housing Authority of the City of Huntingburg (IN028)
HUNTINGBURG, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2023

	Project Total	Subtotal	Total
93800 Other Utilities Expense			
93000 Total Utilities	\$70,003	\$70,003	\$70,003
94100 Ordinary Maintenance and Operations - Labor	\$33,000	\$33,000	\$33,000
94200 Ordinary Maintenance and Operations - Materials and Other	\$11,696	\$11,696	\$11,696
94300 Ordinary Maintenance and Operations Contracts	\$56,925	\$56,925	\$56,925
94500 Employee Benefit Contributions - Ordinary Maintenance	\$2,590	\$2,590	\$2,590
94000 Total Maintenance	\$104,211	\$104,211	\$104,211
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other	\$913	\$913	\$913
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$913	\$913	\$913
96110 Property Insurance			
96120 Liability Insurance			
96130 Workmen's Compensation			
96140 All Other Insurance	\$33,295	\$33,295	\$33,295
96100 Total Insurance Premiums	\$33,295	\$33,295	\$33,295
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	\$9,806	\$9,806	\$9,806
96400 Bad debt - Tenant Rents	-\$984	-\$984	-\$984
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$8,822	\$8,822	\$8,822
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
96900 Total Operating Expenses	\$377,070	\$377,070	\$377,070
97000 Excess of Operating Revenue over Operating Expenses	\$123,264	\$123,264	\$123,264
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$56,816	\$56,816	\$56,816
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$433,886	\$433,886	\$433,886
10010 Operating Transfer In	\$119,167	\$119,167	\$119,167

Housing Authority of the City of Huntingburg (IN028)
HUNTINGBURG, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2023

	Project Total	Subtotal	Total
10020 Operating transfer Out	-\$119,167	-\$119,167	-\$119,167
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$66,448	\$66,448	\$66,448
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,015,391	\$1,015,391	\$1,015,391
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
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	600	600
11210 Number of Unit Months Leased	586	586	586
11270 Excess Cash	\$216,196	\$216,196	\$216,196
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0



Polcari & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Commissioners
Huntingburg Housing Authority
Huntingburg, Indiana

We have audited, 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, the financial statements of Huntingburg Housing Authority ("the Authority") as of and for the years ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Huntingburg Housing Authority's basic financial statements and have issued our report thereon dated September 27, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify three deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Huntingburg Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
September 27, 2024

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana
December 31, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PRIOR AUDIT FINDINGS

The prior audit contained no findings.

CURRENT AUDIT FINDINGS

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the Huntingburg Housing Authority.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Housing Authority of the Borough of Belmar's financial statements for the year ended December 31, 2023.
3. No instances of noncompliance material to the financial statements of the Huntingburg Housing Authority were disclosed during the audit.
4. The Huntingburg Housing Authority was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

HUNTINGBURG HOUSING AUTHORITY
HUNTINGBURG, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

Finding 2023-001

Type of Deficiency: Material Weakness
Internal Control

Condition:

The Authority did not reconcile its checking account on a monthly basis. During the course of our audit, we noted transactions involving ACH debits, payroll and subsidy that had been recorded backward. It was not until the end of the year, that the Authority's accountant made correcting entries to cash netting to \$179,724.

Cause:

The Authority does not have in place the proper controls and review procedures to ensure timely and accurate reconciliations for its bank account.

Criteria:

As a condition of receiving federal awards, the Authority agreed to implement certain controls to ensure sound management and reporting abilities to provide reasonable assurance of reporting accurate financial information. Performing timely and accurate reconciliations is both an expected performance and defined best business practice.

The reporting entity is required to maintain a system of controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Government Accounting Standards Board (GASB). In accordance with 2 CFR Part 200 Subpart F § 200.510(a): "The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited

Effect of Condition:

The effect of the lack of controls over reconciliations caused many account balances in the Authority's general ledger to be either materially under or overstated. Many of these accounts were only corrected as a result of audited adjusting entries.

Recommendation:

We recommend that the Authority adopt controls and procedures to ensure timely and accurate reconciliation of its bank accounts.

Questioned Costs -\$0-

Response:

The Housing Authority will adopt procedures to ensure that the monthly bank reconciliations are completed correctly and on timely manner each month. The Housing Authority has changed accounting software as of April 2024 and is being trained on completing monthly bank reconciliations to ensure the general ledger and the bank reconciliations agree.

HUNTINGBURG HOUSING AUTHORITY
HUNTINGBURG, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

Finding 2023-002

Type of Deficiency: Material Weakness
Internal Control

Condition:

The Authority did not prepare and present to the Board of Commissioners monthly or quarterly budget to actual reports. If the Board is not provided adequate financial information, it would be impossible to make sound financial decisions.

Cause:

The authority failed to implement proper monitoring and financial controls to ensure proper and timely classification of costs and revenues required to produce financial reports to the Board.

Criteria:

As a condition or receiving federal awards, the Authority agreed to implement certain controls to ensure sound management and reporting abilities to provide reasonable assurance of reporting accurate financial information. Preparing timely and accurate budget to actual reporting is both an expected performance and defined best business practice.

The reporting entity is required to maintain a system of controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Government Accounting Standards Board (GASB). In accordance with 2 CFR Part 200 Subpart F § 200.510(a): "The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited.

Effect of Condition:

The effect of not reporting budget to actual financial data to the Board inhibits their ability to make accurate and sound decisions which may negatively impact the Authority's ability to continue to provide services to the public.

Recommendation:

We recommend the Authority design and implement policies and procedures to ensure that accurate and timely financial information can be presented to the Board on at least a quarterly basis.

Questioned Costs: \$0

Response:

The Housing Authority will begin to provide quarterly financial statements to the Board based on actuals vs budgeted amounts through the new accounting software it has implemented as of April 2024. As stated in response to #1, the assurance of the Bank reconciliations being completed correctly will help ensure this is done correctly.34

HUNTINGBURG HOUSING AUTHORITY
HUNTINGBURG, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

Finding 2023-003

Type of Deficiency: Material Weakness
Internal Control

Condition:

The Authority failed to report its pensionable salaries during the measurement period to the Indiana Public Retirement System.

Cause:

The Authority's management failed to implement controls and procedures to ensure proper and timely reporting of pensionable salaries to Indiana Public Retirement System.

Criteria:

As a condition or receiving federal awards, the Authority agreed to implement certain controls to ensure sound management and reporting abilities to provide reasonable assurance of reporting accurate financial information.

The reporting entity is required to maintain a system of controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Government Accounting Standards Board (GASB). In accordance with 2 CFR Part 200 Subpart F § 200.510(a): "The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited.

Effect of Condition:

The non reporting caused the actuarial valuation of the Authority's share of deferred outflows, inflows, liability and expenses to be material misstated. We were able to obtain unaudited estimated numbers from the pension fund which were incorporated into the audit report.

Recommendation:

We recommend that the Authority's management establish controls and procedures to ensure that timely and accurate information is reported to the Indiana Public Retirement System.

Questioned Costs: \$0

Response:

Although the Housing Authority failed to make pension contributions during 2023, the full amount was made up and contributed to in January 2024. All pension contributions through 2024 have been made on a timely manner. This issue was a result of the Board delaying getting the executive director set up in the pension system, it has since been resolved.

HUNTINGBURG HOUSING AUTHORITY

1102 Friendship Village, Huntingburg, IN 47542

Phone: (973) 340-4170

Corrective Action Plan

For the year ended December 31, 2023

U. S. Department of Housing and Urban Development:

The Huntingburg Housing Authority respectfully submits the following corrective action plan for the year ended December 31, 2023.

Auditor:

Polcari & Company CPA
2035 Hamburg Tpke
Unit H
Wayne, New Jersey 07470

The findings from December 31, 2023, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings- Financial Statement Audit

Federal Award Findings and Questioned Costs

Finding 2023-1

Type of Deficiency: Material Weakness

Internal Control

Condition:

The Authority did not reconcile its checking account on a monthly basis. During the course of our audit, we noted transactions involving ACH debits, payroll and subsidy that had been recorded backward. It was not until the end of the year, that the Authority's accountant made correcting entries to cash netting to \$179,724.

Cause:

The Authority does not have in place the proper controls and review procedures to ensure timely and accurate reconciliations for its bank account.

Criteria:

As a condition of receiving federal awards, the Authority agreed to implement certain controls to ensure sound management and reporting abilities to provide reasonable assurance of reporting accurate financial information. Performing timely and accurate reconciliations is both an expected performance and defined best business practice.

The reporting entity is required to maintain a system of controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Government Accounting Standards Board (GASB). In accordance with 2 CFR Part 200 Subpart F § 200.510(a): "The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited

Effect of Condition:

The effect of the lack of controls over reconciliations caused many account balances in the Authority's general ledger to be either materially under or overstated. Many of these accounts were only corrected as a result of audited adjusting entries.

View of Responsible Officials and Corrective Actions:

The Housing Authority will adopt procedures to ensure that the monthly bank reconciliations are completed correctly and on timely manner each month. The Housing Authority has changed accounting software as of April 2024 and is being trained on completing monthly bank reconciliations to ensure the general ledger and the bank reconciliations agree.

Finding 2023-2

Type of Deficiency: Material Weakness

Internal Control

Condition:

The Authority did not prepare and present to the Board of Commissioners monthly or quarterly budget to actual reports. If the Board is not provided adequate financial information, it would be impossible to make sound financial decisions.

Cause:

The authority failed to implement proper monitoring and financial controls to ensure proper and timely classification of costs and revenues required to produce financial reports to the Board.

Criteria:

As a condition of receiving federal awards, the Authority agreed to implement certain controls to ensure sound management and reporting abilities to provide reasonable assurance of reporting accurate financial information. Preparing timely and accurate budget to actual reporting is both an expected performance and defined best business practice.

The reporting entity is required to maintain a system of controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Government Accounting Standards Board (GASB). In accordance with 2 CFR Part 200 Subpart F § 200.510(a): "The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited

Effect of Condition:

The effect of not reporting budget to actual financial data to the Board inhibits their ability to make accurate and sound decisions which may negatively impact the Authority's ability to continue to provide services to the public.

View of Responsible Officials and Corrective Actions:

The Housing Authority will begin to provide quarterly financial statements to the Board based on actuals vs budgeted amounts through the new accounting software it has implemented as of April 2024. As stated in response to #1, the assurance of the Bank reconciliations being completed correctly will help ensure this is done correctly.

Finding 2023-3

Type of Deficiency: Material Weakness

Internal Control

Condition:

The Authority failed to report its pensionable salaries during the measurement period to the Indiana Public Retirement System.

Cause:

The Authority's management failed to implement controls and procedures to ensure proper and timely reporting of pensionable salaries to Indiana Public Retirement System.

Criteria:

As a condition of receiving federal awards, the Authority agreed to implement certain controls to ensure sound management and reporting abilities to provide reasonable assurance of reporting accurate financial information.

The reporting entity is required to maintain a system of controls over the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by

the Government Accounting Standards Board (GASB). In accordance with 2 CFR Part 200 Subpart F § 200.510(a): "The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited

Effect of Condition:

The non reporting caused the actuarial valuation of the Authority's share of deferred outflows, inflows, liability and expenses to be material misstated. We were able to obtain unaudited estimated numbers from the pension fund which were incorporated into the audit report

View of Responsible Officials and Corrective Actions:

Although the Housing Authority failed to make pension contributions during 2023, the full amount was made up and contributed to in January 2024. All pension contributions through 2024 have been made on a timely manner. This issue was a result of the Board delaying getting the executive director set up in the pension system, it has since been resolved

Tina Bromm
Executive Director
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