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October 24, 2022

Board of Commissioners
Housing Authority of the City of Huntingburg
1102 Friendship Village
Huntingburg, IN 47542

We have reviewed the audit report of the Housing Authority of the City of Huntingburg which was opined upon by Malcolm Johnson & Company, P.A., Independent Public Accountant, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Huntingburg as of December 31, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Huntingburg Housing Authority
Huntingburg, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Huntingburg Housing Authority ("the Authority") which include the Statement of Net Position as of and for the year ended December 31, 2021, and the related Statements of Revenues, Expenses and Changes in Net Position, Cash Flows for the year then ended, and the related Notes to the Financial Statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the basic financial statements 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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i-viii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule 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 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. Such 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 27, 2022 on our consideration of the 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 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 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 Authority's internal control over financial reporting and compliance.


Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
September 27, 2022

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021

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, 2021. 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, 2021

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 2021 was \$1,253,164 and at FYE 2020 the amount was \$1,317,658. This represents a net decrease of \$64,494, or 4.9%.

Current Assets decreased by \$42,506, or by 10.9%. This decrease is primarily the result of decreases in cash from operations.

Capital Assets decreased by \$31,972, or by 3.2%. The change in Capital Assets will be presented in the section entitled Analysis of Capital Asset Activity.

Current Liabilities decreased by \$3,667, or by 8.6%. This change in current liabilities was due to decreases in unearned revenues and amounts due to other governmental entities.

Non-Current Liabilities decreased by \$15,281, or by 47.6%. this change is attributable to a decrease in accrued pension and OPEB liabilities.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>	<u>Percent Variance</u>
Cash	\$ 340,955	\$ 389,277	\$ (48,322)	-12.4%
Other Current Assets	25,332	19,516	5,816	29.8%
Capital Assets	951,099	982,891	(31,792)	-3.2%
Deferred Outflows of Resources	10,936	7,204	3,732	51.8%
Total Assets and Deferred Outflows of Resources	\$ 1,328,322	\$ 1,398,888	\$ (74,298)	-5.3%
Current Liabilities	\$ 39,035	\$ 42,702	\$ (3,667)	-8.6%
Non Current Liabilities	16,791	32,072	(15,281)	-47.6%
Deferred Inflows of Resources	19,332	6,456	12,876	199.4%
Total Liabilities and Deferred Inflows of Resources	75,158	81,230	(6,072)	-7.5%
Investment in Capital Assets	951,099	982,891	(31,792)	-3.2%
Unrestricted Net Position	302,065	334,767	(32,702)	-9.8%
Net Position	1,253,164	1,317,658	(64,494)	-4.9%
Total Liab and Net Position	\$ 1,328,322	\$ 1,398,888	\$ (64,494)	-4.6%

Analysis of Entity Wide Revenues (Statement of Activities)

Total Revenue for FYE 2021 was \$343,406 and for FYE 2020 the amount was \$519,106 for a decrease of \$175,700, or by 33.80%. Primarily, this change occurred due to decreases in other income and Capital Grants.

HUD Capital Grants decreased by \$42,338. The 2020 Capital Grant included amounts due from 2019.

Other Income decreased by \$125,768, or by 91.8%. 2020 amount included funds due from 2019

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>	<u>Percentage Change</u>
Total Tenant Revenue	\$ 196,750	\$ 200,666	\$ (3,916)	-2.00%
HUD Operating Grants	114,230	115,358	(1,128)	-1.00%
HUD Capital Grants	19,907	62,245	(42,338)	100.00%
Other Income	11,236	137,004	(125,768)	-91.80%
Investment Income	1,283	3,833	(2,550)	100.00%
Total Revenue	\$ 343,406	\$ 519,106	\$ (175,700)	-33.80%

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021

Analysis of Entity Wide Expenditures

Total Expenditures for FYE 2021 were \$407,900 as compared to the \$357,673 of total expenditures for FYE 2020. Comparatively, FYE 2021 expenditures exceeded FYE 2020 expenses by 50,227, or by 14.0%.

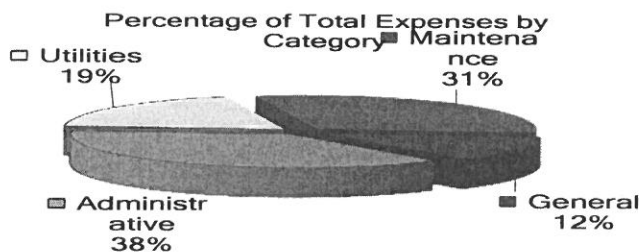
Administrative expenses increased by \$20,405, or 18.8%. This change was attributable to increases administrative salaries and other administrative expenses.

Tenant Services incurred a large increase FYE 2020 to FYE 2021. (\$11,633)

Maintenance expenditures increased by \$52,221, or by 95.7%. This increase is attributable to increases in maintenance wages, maintenance material costs, and maintenance and operational contract costs.

The table below illustrates our analysis:

	2021	2020	Net Change	Percent Variances
Administrative	129,063	108,658	20,405	18.8%
Tenant Services	827	12,460	-11,633	-93.4%
Utilities	66,535	63,697	2,838	4.5%
Maintenance	106,785	54,564	52,221	95.7%
Protective Services	970	762	208	27.3%
General Expense	42,362	51,760	-9,398	-18.2%
Total Operating Expenditures	346,542	291,901	54,641	18.7%
Extraordinary Maintenance	290	0	290	100.0%
Depreciation Expense	61,068	65,772	-4,704	-7.2%
Total Expenses	\$407,900	\$357,673	50,227	14.0%



HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021

Analysis of Capital Asset Activity

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>	<u>Percent Variance</u>
Land	\$ 14,750	\$ 14,750	\$ -	0.0%
Buildings	2,577,681	2,562,476	15,205	0.6%
Furniture, Equip., & Mach. - Dwelling	155,069	153,853	1,216	0.8%
Furniture, Equip., & Mach. - Administrative	205,218	205,218	0	0.0%
Leasehold Improvements	569,585	569,585	0	0.0%
Infrastructure	108,120	108,120	0	0.0%
Construction in Process	75,101	62,245	12,856	20.7%
Total Capital Assets	3,705,524	3,676,247	29,277	0.8%
Accumulated Depreciation	2,754,425	2,693,356	61,069	2.3%
Net Capital Assets	\$ 951,099	\$ 982,891	\$ (31,792)	-3.2%

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.

The increase in overall fixed assets in the amount of \$29,277 was offset by depreciation expense for the year of \$61,069, resulting in an overall net decrease in capital assets of \$31,792, or 3.2%.

Land, Furniture, Equipment, Machinery-Administration, Leasehold Improvements and Infrastructure remained the same. The Authority made upgrades to dwelling equipment.

Buildings increased by \$15,205 for grant years that closed and were transferred to public housing assets.

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is the Executive Director of the Huntingburg Housing Authority, Heidi Reller, at 1102 Friendship Village, Huntingburg IN. Telephone number (812)-683-2513.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS	
Current assets	
Cash and cash equivalents, unrestricted	\$ 219,344
Cash and cash equivalents, restricted	11,722
Investments, unrestricted	109,889
Accrued interest receivable	132
Accounts receivable, net of allowance	5,420
Inventories, net of obsolescence	17,121
Prepaid expense	2,659
Total current assets	366,287
Noncurrent assets	
Capital assets	
Not being depreciated	89,851
Depreciable, net	861,248
Total capital assets, net	951,099
Total assets	1,317,386
Deferred Outflow of Resources	10,936
Total Assets and Deferred Outflow of Resources	1,328,322
LIABILITIES	
Current liabilities	
Vendors and contractors payable	6,534
Accrued wages/taxes payable	1,824
Accrued compensated absences	477
Due to other governments	10,665
Unearned revenue	1,717
Other accrued liabilities	6,096
Resident security deposits	11,722
Total current liabilities	39,035
Noncurrent liabilities	
Accrued compensated absences	4,290
Other accrued liabilities	12,501
Total noncurrent liabilities	16,791
Total liabilities	55,826
Deferred Inflow of Resources	19,332
Total Liabilities and Deferred Inflow of Resources	75,158
NET POSITION	
Net investment in capital assets	951,099
Unrestricted	302,065
Total net position	\$ 1,253,164

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

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

Operating revenues	
Rental revenue	\$ 169,621
HUD grants	114,230
Other revenue	38,365
Total operating revenues	<u>322,216</u>
Operating expenses	
Administrative	129,063
Tenant services	827
Utilities	66,535
Ordinary maintenance & operation	106,785
Protective services	970
Insurance	29,339
General expenses	13,023
Housing assistance payments	-
Depreciation	61,068
Total operating expenses	<u>407,610</u>
Operating income (loss)	<u>(85,394)</u>
Nonoperating revenues (expenses)	
Interest revenue, unrestricted	1,283
Extraordinary maintenance	(290)
Total nonoperating revenues	<u>993</u>
Income (loss) before contributions and transfers	<u>(84,401)</u>
Capital contributions	<u>19,907</u>
Increase (decrease) in net position	<u>(64,494)</u>
Net position, beginning of year	<u>1,317,658</u>
Net position, end of year	<u><u>\$ 1,253,164</u></u>

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

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows From Operating Activities	
Receipts from dwelling rentals	\$ 192,326
Operating grants	114,230
Other receipts	6,998
Payments to employees and suppliers	(353,473)
Payments to landlords and residents	(827)
Net cash provided (used) by operating activities	<u>(40,746)</u>
 Cash Flows From Capital and Related Financing Activities	
Capital contributions	19,907
Purchases of capital assets	(29,277)
Net cash provided (used) by capital and related financing activities	<u>(9,370)</u>
 Cash Flows From Investing Activities	
Purchase of investments	(109,889)
Interest	1,794
Net cash provided (used) by investing activities	<u>(108,095)</u>
 Net increase (decrease) in cash and cash equivalents	 (158,211)
Balance - beginning of the year	<u>389,277</u>
Balance - end of the year	<u>\$ 231,066</u>
 Reconciliation of Cash Flows to Statement of Net Position	
Cash and cash equivalents, unrestricted	\$ 219,344
Cash and cash equivalents, restricted	11,722
	<u>\$ 231,066</u>

There are no non-cash transactions.

HOUSING AUTHORITY OF THE CITY OF HUNTINGBURG
Huntingburg, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

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

Operating income/(loss)	\$ (85,394)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	61,068
Increase in accounts receivable	(3,112)
Increase in due to/from other governments	(629)
Decrease in due to/from other programs	(3,008)
Increase in prepaid expenses	(206)
Increase in deferred outflow of resources	(3,732)
Increase in security deposits	855
Decrease in accounts payable	(244)
Increase in accrued wages	480
Increase in accrued compensated absences	102
Increase in unearned revenue	(3,503)
Decrease in accrued liabilities	(16,009)
Increase in deferred inflow of resources	12,876
Other revenue and expense reported as nonoperating	(290)
	<u><u>\$ (40,746)</u></u>

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

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

A - Summary of Significant Accounting Policies and Organization:

- 1. Organization:** Huntingburg Housing Authority (“the Authority”) is a public body corporate and politic pursuant to the Laws of the State of Indiana which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies.
- 2. Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has no component units.

The basic financial statements of the Authority consist primarily of Low Rent Public Housing under Annual Contributions Contract A-2731.

- 3. Summary of HUD and Other Authority Programs:** The accompanying basic financial statements consist of the activities of the housing programs subsidized by HUD and Authority owned entities. A summary of each of these programs is provided below.
 - 1) Low Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.
 - 2) Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.
- 4. Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (Enterprise Fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

4. Basis of Presentation and Accounting (Continued)

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

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net position 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 they expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position 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.

- 5. 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. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.
- 6. Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.
- 7. Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.
- 8. Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority’s agent in the Authority’s name. It is the Authority’s policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Indiana.
- 9. Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

10. Prepaid Items: Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

11. Use of Estimates: The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles 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 basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

12. Fair Value of Financial Instruments: The carrying amount of the Authority's financial instruments at December 31, 2021 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

13. Capital Assets:

a. Book Value: All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

b. Depreciation: The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings and Improvements	15-40 years
Equipment	3-7 years

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

13. Capital Assets: (Continued)

- c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$1,500 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.
- d. Impairment of Long-Lived Assets:** The Authority has been and is currently involved in various activities in conjunction with its modernization programs. In accordance with *Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets*. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. The Authority has reviewed and determined there was no impairment of long-lived assets during year ending December 31, 2021.

- 14. Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. 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.
- 15. Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable, and the loss is reasonably estimable.
- 16. Annual Contribution Contracts:** Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.
- 17. Risk Management:** The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

18. Use of Restricted Assets: It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

19. Operating Revenues and Expenses: The principal operating revenues of the Authority's Enterprise Fund are charges to customers for rents and services. Operating expenses for the Authority's Enterprise Fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

20. Pensions: For purposes of measuring the net pension (asset) and liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

1. HUD Deposit and Investment 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

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were \$231,066 at December 31, 2021. Bank balances before reconciling items were \$235,620 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name. The Authority's investments consist of certificates of deposit with original maturities greater than three (3) months of \$109,889.

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

C - Accounts Receivable:

Dwelling rents (net of allowance for doubtful accounts of \$2,918) \$ 5,420

E - Prepaid Expense:

Prepaid insurance \$ 2,659

F - Land, Buildings and Equipment:

	Balance December 31, 2020	Additions	Balance December 31, 2021
Not being depreciated:			
Land	\$ 14,750	\$ -	\$ 14,750
Construction in progress	62,245	12,856	75,101
Total not being depreciated	76,995	12,856	89,851
Depreciable:			
Buildings & improvements	3,240,181	15,205	3,255,386
Accumulated depreciation	(2,351,702)	(58,961)	(2,410,663)
Net buildings & improvements	888,479	(43,756)	844,723
Equipment	359,071	1,216	360,287
Accumulated depreciation	(341,654)	(2,108)	(343,762)
Net equipment	17,417	(892)	16,525
Net depreciable assets	905,896	(44,648)	861,248
TOTAL	\$ 982,891	\$ (31,792)	\$ 951,099

G - Due to Other Governments:

Payment in Lieu of Taxes \$ 10,665

H.- Unearned Revenue:

Tenant Prepaid Rents \$ 1,717

I - Accrued Liabilities – Other:

Utilities \$ 6,096

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

J - Annual Contributions by Federal Agencies:

Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended December 31, 2021 were \$94,375. HUD also contributed additional funds for modernization and operations in the amount of \$39,762 for the year ended December 31, 2021.

K.- Pension Plan:

Plan Description: The Housing Authority Participates in a cost-sharing multiple employer pension plan, as defined in Governmental Accounting Standards Board Statement No, 67, *Financial Reporting for Pension Plans*. The pension plan is administered by the Indiana Public Retirement Systems (INPRS) and is based on Title 35 of IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2 11(b). The Public Employees' Retirement Fund (PERF) Hybrid Plan was established by the Indian Legislature in 1945 and is governed by the INPRS Board of Trustees. INPRS financial reports are available online at <https://www.in.gov/inprs/actuarialvaluation.htm>.

Members included offices and employees of the units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by resolution of the governing body, which specifies the classifications of employees who will become members of the PERF Hybrid plan.

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 age 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 percent 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 reached 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.

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

K. Pension Plan: (Continued)

Contributions: Members are required by statute to make contributions to the plan as determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. During 2021, all participating employers contributed an average of 11.0% of covered payroll. The Authority’s required contribution to the plan for the fiscal year ended December 31, 2021 was \$5,883. A contribution of 3% of covered payroll was contributed by the employee into the annuity savings account portion.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2021, the Authority reported a liability of \$12,501 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Authority’s proportion of the net pension liability was based on the Authority’s share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2021, the Authority’s proportion was 0.0000095%, which remained the same as measured as of June 30, 2020.

There was \$4,101 reported as deferred outflows related to pension resulting from the INPRS Employer’s contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Actuarial Assumptions: The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2021
Measurement Date of Net Pension Liability:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal- Level Percent of Payroll
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	6.75%
Discount Rate:	6.75%, net of investment expenses
Salary Increases:	
Inflation	0.25%
Productive, Merit, and Promotion	0.25-2.00%
Mortality:	RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration’s 2014 Report.

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

K. Pension Plan: (Continued)

Actuarial assumptions are based upon an experience study completed in April 2015 using experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2015 actuarial valuation based on the results of the study. The total pension liability for June 30, 2020 is based upon a roll-forward of the liability calculated from the June 30, 2019 actuarial valuation.

Long-term Expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns (as of June 30, 2021)

	Current Assest Allocation %	Target Range %
<u>Asset Class</u>		
Public Equity	21.8	22.0
Private Markets	12.2	14.0
Fixed Income-Ex Inflation-Linked	19.4	20.
Fixed Income-Inflation-Linked	7.3	7.0
Commodities	6.6	8.0
Real Estate	6.8	7.0
Absolute Return	10.6	10.0
Risk Party	13.4	12.0
Cash & Cash Overlay	1.9	N/A
Total	100%	100%

Single Discount Rate: The discount rate used to measure the total pension liability was 6.75% and is equal to long-term expected return on plan investments, net of administrative expenses. The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of: 1) the current contribution rate of 11.2%, or 2) the actuarially determined contribution rate computer by the actuary using the assumptions and methods selected by the Board for the annual actuarial valuations.

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

K. Pension Plan: (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
\$32,694	\$12,501	\$4,344

Pension Expense: For the year ended December 31, 2021, the Authority recognized pension expense of \$1,055 which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Asset Allocation Targets and Expected Returns (as of June 30, 2021)

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 428	\$ 250
Net differences between projected and actual investment earnings on pension plan investments	-	16,231
Change of assumptions	6,288	2,808
Changes in proportion and differences between employer contributions and proportionate share of contributions	119	43
Employer contribution after measurement date	4,101	-
Total	\$ 10,936	\$ 19,332

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

K. Pension Plan: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the NPL in the following years:

Amortization of net deferred outflows/(inflows) of resources - debit/(credit)	
2022	\$ (3,333.00)
2023	(2,804.00)
2024	(1,719.00)
2025	(4,641.00)
Thereafter	-
Total	\$ (12,497.00)

- L - Economic Dependency:** The Authority receives approximately 39% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.
- M - Contingencies:** The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended December 31, 2021.
- N - Conduit Type Debt:** Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the basic financial statements of the Authority. Additionally, HUD no longer provides debt service information to the Authority.
- O - Leasing Activities (as Lessor):** The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

- P - Interprogram Transfers:** The Authority will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. There were transfers of \$19,855 during the year ended December 31, 2021
- Q - Decrease in Net Position:** The decrease in net position is expected to be absorbed through operations in subsequent fiscal years, assisted by transfers from various programs. No fund deficit is expected as a result of the current year loss.
- R - 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 evaluated the activity of the Authority through the Date of the Independent Auditors Report and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

SUPPLEMENTAL INFORMATION

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
111 Cash - Unrestricted	\$219,344		\$219,344	\$219,344
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$11,722		\$11,722	\$11,722
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$231,066	\$0	\$231,066	\$231,066
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$4,100		\$4,100	\$4,100
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,918		-\$2,918	-\$2,918
126.2 Allowance for Doubtful Accounts - Other				
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery	\$4,238		\$4,238	\$4,238
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0	\$0
129 Accrued Interest Receivable	\$132		\$132	\$132
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,552	\$0	\$5,552	\$5,552
131 Investments - Unrestricted	\$109,889		\$109,889	\$109,889
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$2,659		\$2,659	\$2,659
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	\$366,287	\$0	\$366,287	\$366,287
161 Land	\$14,750		\$14,750	\$14,750
162 Buildings	\$2,577,681		\$2,577,681	\$2,577,681
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	-\$2,754,425		-\$2,754,425	-\$2,754,425
167 Construction in Progress	\$75,101		\$75,101	\$75,101
168 Infrastructure	\$108,120		\$108,120	\$108,120
160 Total Capital Assets, Net of Accumulated Depreciation	\$951,099	\$0	\$951,099	\$951,099
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$951,099	\$0	\$951,099	\$951,099
200 Deferred Outflow of Resources	\$10,936		\$10,936	\$10,936
290 Total Assets and Deferred Outflow of Resources	\$1,328,322	\$0	\$1,328,322	\$1,328,322
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$6,534		\$6,534	\$6,534
313 Accounts Payable >90 Days Past Due				

321	Accrued Wage/Payroll Taxes Payable	\$1,824		\$1,824	\$1,824
322	Accrued Compensated Absences - Current Portion	\$477		\$477	\$477
324	Accrued Contingency Liability				
325	Accrued Interest Payable				
331	Accounts Payable - HUD PHA Programs				
332	Account Payable - PHA Projects				
333	Accounts Payable - Other Government	\$10,665		\$10,665	\$10,665
341	Tenant Security Deposits	\$11,722		\$11,722	\$11,722
342	Unearned Revenue	\$1,717		\$1,717	\$1,717
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344	Current Portion of Long-term Debt - Operating Borrowings				
345	Other Current Liabilities				
346	Accrued Liabilities - Other	\$6,096		\$6,096	\$6,096
347	Inter Program - Due To				
348	Loan Liability - Current				
310	Total Current Liabilities	\$39,035	\$0	\$39,035	\$39,035
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	\$4,290		\$4,290	\$4,290
355	Loan Liability - Non Current				
356	FASB 5 Liabilities				
357	Accrued Pension and OPEB Liabilities	\$12,501		\$12,501	\$12,501
350	Total Non-Current Liabilities	\$16,791	\$0	\$16,791	\$16,791
300	Total Liabilities	\$55,826	\$0	\$55,826	\$55,826
400	Deferred Inflow of Resources	\$19,332		\$19,332	\$19,332
508.4	Net Investment in Capital Assets	\$951,099		\$951,099	\$951,099
511.4	Restricted Net Position				
512.4	Unrestricted Net Position	\$302,065	\$0	\$302,065	\$302,065
513	Total Equity - Net Assets / Position	\$1,253,164	\$0	\$1,253,164	\$1,253,164
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,328,322	\$0	\$1,328,322	\$1,328,322

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
70300 Net Tenant Rental Revenue	\$169,621		\$169,621	\$169,621
70400 Tenant Revenue - Other	\$27,129		\$27,129	\$27,129
70500 Total Tenant Revenue	\$196,750	\$0	\$196,750	\$196,750
70600 HUD PHA Operating Grants	\$114,230		\$114,230	\$114,230
70610 Capital Grants	\$19,907		\$19,907	\$19,907
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$1,283		\$1,283	\$1,283
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	\$11,236		\$11,236	\$11,236
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$343,406	\$0	\$343,406	\$343,406
91100 Administrative Salaries	\$60,278		\$60,278	\$60,278
91200 Auditing Fees	\$5,264		\$5,264	\$5,264
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$12,585		\$12,585	\$12,585
91600 Office Expenses	\$5,028		\$5,028	\$5,028
91700 Legal Expense				
91800 Travel				
91810 Allocated Overhead				
91900 Other	\$45,908		\$45,908	\$45,908
91000 Total Operating - Administrative	\$129,063	\$0	\$129,063	\$129,063
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$827		\$827	\$827
92500 Total Tenant Services	\$827	\$0	\$827	\$827
93100 Water	\$11,260		\$11,260	\$11,260
93200 Electricity	\$25,299		\$25,299	\$25,299
93300 Gas	\$11,292		\$11,292	\$11,292
93400 Fuel				
93500 Labor				
93600 Sewer	\$18,684		\$18,684	\$18,684
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$66,535	\$0	\$66,535	\$66,535

94100 Ordinary Maintenance and Operations - Labor	\$18,360		\$18,360	\$18,360
94200 Ordinary Maintenance and Operations - Materials and Other	\$14,466		\$14,466	\$14,466
94300 Ordinary Maintenance and Operations Contracts	\$70,126		\$70,126	\$70,126
94500 Employee Benefit Contributions - Ordinary Maintenance	\$3,833		\$3,833	\$3,833
94000 Total Maintenance	\$106,785	\$0	\$106,785	\$106,785
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other	\$970		\$970	\$970
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$970	\$0	\$970	\$970
96110 Property Insurance				
96120 Liability Insurance				
96130 Workmen's Compensation				
96140 All Other Insurance	\$29,339		\$29,339	\$29,339
96100 Total insurance Premiums	\$29,339	\$0	\$29,339	\$29,339
96200 Other General Expenses	-\$1,557		-\$1,557	-\$1,557
96210 Compensated Absences	\$1,013		\$1,013	\$1,013
96300 Payments in Lieu of Taxes	\$10,665		\$10,665	\$10,665
96400 Bad debt - Tenant Rents	\$2,902		\$2,902	\$2,902
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$13,023	\$0	\$13,023	\$13,023
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$346,542	\$0	\$346,542	\$346,542
97000 Excess of Operating Revenue over Operating Expenses	-\$3,136	\$0	-\$3,136	-\$3,136
97100 Extraordinary Maintenance	\$290		\$290	\$290
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$61,068		\$61,068	\$61,068
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$407,900	\$0	\$407,900	\$407,900
10010 Operating Transfer In	\$19,855		\$19,855	\$19,855
10020 Operating transfer Out	-\$19,855		-\$19,855	-\$19,855
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$64,494	\$0	-\$64,494	-\$64,494

11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,317,658	\$0	\$1,317,658	\$1,317,658
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	597		597	597
11210 Number of Unit Months Leased	580		580	580
11270 Excess Cash	\$278,594		\$278,594	\$278,594
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$19,907		\$19,907	\$19,907
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

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Authority's Proportionate Share of the Net Pension Liability

	INPRS Pension Plan					
	Last Ten Fiscal Years *					
	2016	2017	2018	2019	2020	2021
Huntingburg Housing Authority's proportion of the net pension liability	0.0000082	0.0000095	0.0000094	0.0000095	0.0000095	0.0000095
Huntingburg Housing Authority's proportionate share of the net pension liability	\$ 37,215	\$ 42,385	\$ 31,932	\$ 31,398	\$ 28,694	\$ 12,501
Huntingburg Housing Authority's covered employee payroll	\$ 39,985	\$ 46,957	\$ 48,188	\$ 50,395	\$ 51,121	\$ 60,278
Huntingburg Housing Authority's proportionate share of the net pension liability as a percentage of it's covered employee payroll	0.930724	0.902634	0.662654	0.623038	0.5612	0.20738

* additional years information will be presented when available

The amounts for each fiscal year were determined as of 6/30

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Authority's Proportionate Share of the Net Pension Liability

INPRS Pension Plan
Last Ten Fiscal Years *

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 4,413	\$ 5,259	\$ 5,397	\$ 5,552	\$ 5,726	\$ 5,883
Contributions in relation to the contractually required contribution	<u>\$ 4,413</u>	<u>\$ 5,259</u>	<u>\$ 5,397</u>	<u>\$ 5,552</u>	<u>\$ 5,726</u>	<u>\$ 5,883</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Huntingburg Housing Authority's covered-employee payroll	\$ 3,985	\$ 46,957	\$ 48,188	\$ 50,395	\$ 51,121	\$ 60,278
Contributions as a percentage of covered-employee payroll	11.0%	11.0%	11.0%	11.0%	11.0%	9.75%

* additional years information will be presented when available

The amounts for each fiscal year were determined as of 6/30

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**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 basic financial statements of Huntingburg Housing Authority ("the Authority"), which include the statement of net position as of December 31, 2021, and the related statements of revenue, expenses and changes in net position, cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon September 27, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 Authority'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 section 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 not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
September 27, 2022

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURE

Board of Commissioners
Huntingburg Housing Authority
Huntingburg, Indiana

We have performed the procedure described in the second paragraph, which was agreed to by Huntingburg Housing Authority ("the Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents included within the OMB Uniform Guidance reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement of electronically submitted information and hard copy documents.

We were engaged to perform an audit of the financial Statements of the Authority as of and for the year ended December 31, 2021 and have issued our report thereon dated September 27, 2022. Further, our opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated September 27, 2022, was expressed in relation to the basic financial statement of the Authority taken as a whole. We were not engaged to, and did not, perform and audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Had we performed additional procedure, other matters might have come to our attention that would have been reported to you. The information included in the "Hard Copy Documents: column was included within the OMB Uniform Guidance reporting package.

A copy of the financial statement package required by OMB Uniform Guidance, which included the auditor's reports, is available in its entirety from the Authority. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.


Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
September 27, 2022

HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana

FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

There were no Findings

**HUNTINGBURG HOUSING AUTHORITY
Huntingburg, Indiana**

**PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

There were no Prior Year Findings.