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May 15, 2013

Board of Directors
Housing Authority of the City of Elkhart
1396 Benham Avenue
Elkhart, IN 46516

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period April 1, 2009 to March 31, 2010. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Elkhart, as of March 31, 2010 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountant's report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**HOUSING AUTHORITY
OF THE CITY OF ELKHART
ELKHART, INDIANA**

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

TWELVE MONTHS ENDED MARCH 31, 2010

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

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PAMELA J. SIMPSON, C.P.A.

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Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Elkhart
Elkhart, Indiana

I have audited the accompanying financial statements of Housing Authority of the City of Elkhart and the aggregate discretely presented component unit, as of and for the year ended March 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Housing Authority of the City of Elkhart and the aggregate discretely presented component unit, as of March 31, 2010 and the respective changes in financial position and cash flows for the year end in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 15, 2010, on my consideration of the Housing Authority of the City of Elkhart's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 15, are not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

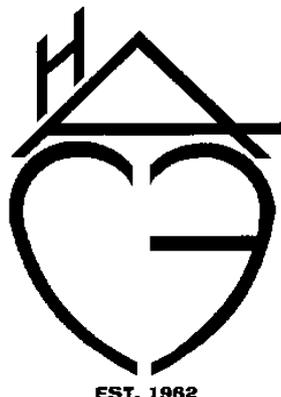
My audit was conducted for the purpose of forming opinions on the financial statements of the Housing Authority of the City of Elkhart, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Housing Authority of the City of Elkhart. The accompanying financial data schedule and other additional statements and schedules listed as supplemental data in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Housing Authority of the City of Elkhart. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all materials respects in relation to the financial statements taken as a whole.

Decatur, Illinois
October 15, 2010

Handwritten signature of Pamela J. Simpson in cursive script.

Certified Public Accountant

Housing Authority of the City of Elkhart - MD&A
MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal Year 2010 Year End Audit Report

By: Joan Lau, Director Finance Elkhart Housing Authority.

The Elkhart Housing Authority's (the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

This Management Discussion and Analysis will be presented at the front of each year's financial statements.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 17).

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- The Authority's net assets increased of \$1,187,119 or 11% during 2010. Since the Authority engages in business-type, Comprehensive counseling, New Construction S/R Section 8, Low Rent Public Housing, Housing Choice Voucher, and Capital Fund program activities, the majority of the increase is for assets acquired. This makes up the majority of the increase. Our combined Net Assets were as follows:
 - 2010 -\$11,509,998 million
 - 2009 -\$10,322,879 million
 - 2008- \$10,206,339 million.
- Total revenue increased by \$1,204,794 or 14% from 2009's \$8,202,934 to \$9,407,728 in 2010.
- Unrestricted Investment Income increased by \$15,254 (479%). Due to more principal invested and higher interest rates.
- The Net tenant Rental Revenue increased by \$25,047 (2%) from \$983,599 in 2009 to \$1,008,646 in 2010. We have an increase in tenant rents from our Component unit of \$15,471.
- Other Revenue was up by \$86,629 and Fraud Recovery was up by \$43,511.
- Operating Grant revenue increased by \$306,611 a 4% increase from \$6,216,583 to \$6,523,194 this was due to:
 - increased administration fees in Housing Choice Voucher of \$288,303
 - an increase in operating subsidy for the public housing of \$73,619.
 - loss of one of our N/C program administration fees of (\$69,072)
 - an increase of \$5,877 from our Resident Housing for low income families (ROSS) co-coordinator in operation for a full 12 months. In 2009 the program started mid-year.
- Capital Grant revenue increased by \$733,182 a 99% increase from \$735,784 to \$1,468,966 this was due to major projects completion at the AMP's.

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Operating expenses of all Authority programs increased by \$137,833 or a 4%. Operating expenses were \$3,301,488 for 2009 and \$3,439,321 in 2010 respectively. This was an increase of \$137,833 consisted of the following:

Administration expenses increase of	\$67,112
Utilities expense decreased by	(\$63,615)
Tenant Services (Resident Part) decreased by	(\$422)
Maintenance increased by	\$73,883
Protective Services increased by	\$79,454
Insurance premiums decreased by	(\$23,894)
General Expenses increased by	\$5,315

The increase in administration expense is mainly salary, which was a change in policy of the central maintenance staff being charged to the central office and not the AMP's. Maintenance expense only increased by \$73,883 due to an increase in contract costs.

Admin Salaries increased by	\$163,949
Office Expense decreased by	(\$148,185)
Admin Benefits increased by	\$26,478
Travel was up by	\$8,946
All other admin was up	\$15,924
Subtotal	\$67,112
Maintenance Salary decreased by	(\$88,836)
Materials expense up by	\$33,371
Contracts expense up by	\$211,039
Maintenance Benefits down by	(\$81,691)
Subtotal	\$73,883

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT

This is a very different presentation of the Authority's previous financial statements. The following graphic outlining these changes is provided for your review:

MD&A

~ Management Discussion
And Analysis ~

Basic Financial Statements

~ Authority-wide Financial Statements (new) – pgs 16-19 ~
~ Notes to Financial Statements (expanded/restructured) – pgs 20-32 ~

Other Required Supplementary Information

~ Required Supplementary Information pgs 34-35 ~
(other than MD&A)
(expanded)

The primary focus of the Authority's financial statement (summarized fund-type information) has been discarded. The new and clearly preferable focus is on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

Authority-Wide Financial Statements

The Authority-wide financial statements (see pgs 16-19) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These Statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The statement is presented in a format, where assets minus liabilities equal "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

The Authority's Funds

Business Type Funds- the Housing Finance Corporation and the Elkhart Community Housing Corporations are sister Not – For – Profit entities to encourage affordable housing for the low income cliental of Elkhart County.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents 672 units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under and Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Non-major Funds – In addition to the major funds above, the Authority also maintains the following non-major funds. Non-major funds are defined as funds that have assets, liabilities, revenues, or expenses of at least 5% or more of the Authority's total assets, liabilities, revenues or expenses:

Business Activities – represents non-HUD resources developed from a variety of activities.

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUTHORITY-WIDE STATEMENT

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged in Business-Type Activities, Conventional Housing and Housing Choice Voucher.

TABLE 1

STATEMENT OF NET ASSETS

	2010 (In thousand of dollars)	2008 (In thousands of dollars)
Current and Other Assets	\$ 3,183.9	\$3,337.6
Capital Assets	8,847.0	8,143.7
Total Assets	<u>12,030.9</u>	<u>11,481.3</u>
Other Liabilities	379.4	692.7
Long-Term Liabilities	141.5	465.7
Total Liabilities	<u>520.9</u>	<u>1,158.4</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	8,847.0	7,830.7
Restricted	327.7	369.7
Unrestricted	2,335.3	2,122.5
Total Net Assets	<u>\$11,510.0</u>	<u>\$10,322.9</u>

For more detailed information see page 16 for the Statement of Net Assets.

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major Factors Affecting the Statement of Net Assets

Current assets were increased by \$159,454, Capital Assets increased by \$703,243. Primarily these numbers changed by the following:

Current Assets	
Cash decreased by	(\$286,269)
Accounts Receivable from HUD decreased by	(\$424,719)
Accrued Interest increased by	\$7,279
Investments increased by	\$900,000
Prepaid Expenses & Other assets decreased by	(\$36,837)
Capital Assets	
Building increased by the close of CIP	\$1,047,912
Construction in progress (CIP)	(\$280,132)
Dwelling decreased by	(\$22,119)
Administration decreased by	(\$2,122)
Leasehold improvements by	\$696,589
Accumulated Depreciation	(\$736,885)

The Dwelling & Administration lines were affected by the completion of several large capital fund projects. For more detail see "Capital Assets and Debt Administration" below.

Liabilities decreased by \$637,516. A reduction to current liabilities of \$313,288 and long term of \$324,228. Most of this decrease in long term was due to a loan between the two component units being forgiven of (313,094). In current the decrease of \$313,288 was mostly made up the net of the following two items:

Deferred revenues down	(\$255,771)
Vendor payable down by	(\$58,265)

Housing Authority of the City of Elkhart - MD&A
MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2 presents details on the change in Unrestricted Net Assets

TABLE 2
CHANGE OF UNRESTRICTED NET ASSETS

	Millions of dollars
Unrestricted Net Assets 03/31/09	\$2,122.5
Results of Operations	
Adjustments	(338.8)
Depreciation (1)	744.6
Adjusted Results from Operations	(193.0)
Unrestricted Net Assets 3/31/10	\$ 2,335.3

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well-being.

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	2010 (Thousands of dollars)	2009 (Thousands of dollars)
Revenues		
Tenant Revenue – Rents and Other	\$1,107.8	1,110.3
Operating Subsidies and Grants	6,523.2	6,216.6
Capital Grants	1,469.0	735.8
Investment Income	29.6	27.1
Gain on Sale of assets		12.1
Other Revenues	278.1	101.0
Total Revenue	<u>9,407.7</u>	<u>8,202.9</u>
Expenses		
Administrative	1,653.6	1,586.5
Tenant Services	12.7	13.2
Utilities	317.9	381.5
Maintenance	1,062.2	988.3
Insurance	195.3	219.2
Protective Services	81.2	1.8
General	116.4	111.0
Housing Assistance Payments	3,929.1	3,859.7
Casualty Loss	12.4	18.5
Depreciation	744.6	817.4
Total Expenses	<u>8,125.4</u>	<u>7,997.1</u>
Net Increase	<u>\$ 1,282.3</u>	<u>\$ 205.8</u>

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Total Tenant revenue decreased due to a higher percentage of move-out charges being charged to the AMP's for asset management and increase negative renters. Tenant rent increased by \$25,047 due to poor economic conditions, thus increasing our occupancy numbers. Other tenant revenue was decreased by (\$27,610). Occupancy for the following years is listed:

2003	88.0%
2004	90.9%
2005	88.3%
2006	91.94%
2007	90.29%
2008	90.10%
2009	93.03%
2010	96.15%

Operating Subsidies was increased slightly (4%). Capital grants revenue (line 706.1) increased (99%) or \$733,182 this increase was due at an additional grant stimulus labeled AARA and completing several large capital projects. Investment income has only slightly increased by \$2,559 mainly due to lower interest rate upon by transferring to a new banking institution at the certificate of deposit's maturity.

Operating expenses increased overall by \$137,833. Administrative expenses increased due to increased staff –salary & benefits \$190,427. Office Expenses decreased by (\$148,185). Utilities decreased by (\$63,615) due to higher occupancy & continuing updating systems to more energy efficient appliances. Protective services increased by \$79,464 due to changes in reporting. Insurance premiums decreased by (\$23,894) Depreciation decreased due to large amounts of assets had attained their useful life and therefore no more depreciation will be booked. Utilities were lower due to conservation projects installed in the prior years and a milder winter. Maintenance costs were almost level with last year.

Housing Authority of the City of Elkhart - MD&A
MANAGEMENT'S DISCUSSION AND ANALYSIS
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the Authority had \$8,846,992 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (addition, deductions and depreciation) \$703,243 from the end of last year.

TABLE 4

**CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	Business-type Activities	
	2010	2009
Land and land rights	\$ 1,065,518	\$ 1,065,518
Buildings	16,757,897	15,709,985
Equipment – Administrative	248,957	251,079
Equipment - Dwelling	600,900	623,019
Leasehold Improvements	10,484,871	9,788,282
Accumulated Depreciation	(20,311,151)	(19,574,266)
Construction In Progress	0	280,132
Total	<u>\$8,846,992</u>	<u>\$8,143,749</u>

Housing Authority of the City of Elkhart - MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 29 of the footnotes.

TABLE 5

CHANGE IN CAPITAL ASSETS

	Business Type Activities
Beginning Balance	\$ 8,143,779
Additions	1,476,531
Construction in Progress	0
Restatement	(28,707)
Depreciation	<u>(744,581)</u>
Ending Balance	<u><u>\$8,846,992</u></u>

Debt Outstanding

As of year-end, the Authority had no outstanding debts.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Rising fuel cost.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Joan Lau, Director of Finance of the Housing Authority of the City of Elkhart, at (574) 295-8392. Specific requests may be submitted to Joan Lau, Director of Finance, Housing Authority of the City of Elkhart, 1396 Benham Ave, Elkhart, IN 46516.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**STATEMENT OF NET ASSETS
TWELVE MONTHS ENDED MARCH 31, 2010**

	Proprietary <u>Funds</u>	Component <u>Unit</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,337,003	\$ 141,046
Accounts receivable (interfund eliminated)	128,274	6
Accrued interest receivable	15,744	0
Investments	1,400,000	0
Inventory	72,122	0
Deferred charges	<u>53,778</u>	<u>0</u>
Total Current Assets	<u>\$ 3,006,921</u>	<u>\$ 141,052</u>
RESTRICTED ASSETS		
Cash	<u>\$ 36,897</u>	<u>\$ 0</u>
CAPITAL ASSETS		
Land, buildings and equipment	\$ 28,737,733	\$ 420,410
Less: Accumulated depreciation	<u>-20,304,898</u>	<u>-6,253</u>
Total Capital Assets	<u>\$ 8,432,835</u>	<u>\$ 414,157</u>
Total Assets	<u>\$ 11,476,653</u>	<u>\$ 555,209</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable (interfund eliminated)	\$ 223,916	\$ 3,205
Accrued liabilities	137,521	0
Deferred revenue	<u>15,756</u>	<u>0</u>
Total Current Liabilities	<u>\$ 377,193</u>	<u>\$ 3,205</u>
NONCURRENT LIABILITIES		
Accrued compensated absences	\$ 52,054	\$ 0
Accrued pension	31,678	0
FSS escrow	<u>57,734</u>	<u>0</u>
Total Noncurrent Liabilities	<u>\$ 141,466</u>	<u>\$ 0</u>
<u>NET ASSETS</u>		
Invested in capital assets	\$ 8,432,835	\$ 414,157
Restricted	327,656	0
Unrestricted	<u>2,197,503</u>	<u>137,847</u>
Total Net Assets	<u>\$ 10,957,994</u>	<u>\$ 552,004</u>

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
TWELVE MONTHS ENDED MARCH 31, 2010**

<u>Operating Income</u>	Proprietary Funds	Component Unit
Tenant rental revenue	\$ 992,051	\$ 16,595
Tenant revenue - other	<u>99,027</u>	<u>102</u>
Total Rental Income	\$ 1,091,078	\$ 16,697
HUD grants - operating	6,523,194	0
Fraud recovery	82,799	0
Other revenue	<u>183,513</u>	<u>11,888</u>
Total Operating Income	<u>\$ 7,880,584</u>	<u>\$ 28,585</u>
 <u>Operating Expenses</u>		
Administration	\$ 1,653,328	\$ 260
Tenant services	12,733	0
Utilities	315,042	2,821
Ordinary maintenance and operation	1,057,756	4,458
Protective services	81,254	0
General expense	310,142	1,527
Casualty losses	12,393	0
Housing assistance payments	3,929,108	0
Depreciation	<u>738,328</u>	<u>6,253</u>
Total Operating Expenses	<u>\$ 8,110,084</u>	<u>\$ 15,319</u>
Net Operating Income (Loss)	\$ -229,500	\$ 13,266
 <u>Nonoperating Income (Expense)</u>		
Interest income	29,388	205
 <u>Capital Contributions</u>		
Capital fund grants	<u>1,468,966</u>	<u>0</u>
Changes in net assets	\$ 1,268,854	\$ 13,471
Net assets, beginning of year	9,786,183	536,696
Prior period adjustments	<u>-97,043</u>	<u>1,837</u>
Net assets, end of year	<u>\$ 10,957,994</u>	<u>\$ 552,004</u>

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**STATEMENT OF CASH FLOWS
TWELVE MONTHS ENDED MARCH 31, 2010**

<u>Operating Activities</u>	Proprietary Funds	Component Unit
Operating grants	\$ 6,740,227	\$ 0
Tenant revenue	1,101,033	16,697
Other revenue	266,312	11,888
Housing assistance payments	-3,929,108	0
Payments to employees	-1,247,351	0
Payments to suppliers and contractors	<u>-2,381,564</u>	<u>-7,859</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 549,549</u>	<u>\$ 20,726</u>
 <u>Investing Activities</u>		
Investments (purchased) redeemed	\$ -900,000	\$ 0
Interest income	<u>22,109</u>	<u>205</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ -877,891</u>	<u>\$ 205</u>
 <u>Capital and Related Financing Activities</u>		
Capital fund grants	\$ 1,468,966	\$ 0
(Additions) deletions to fixed assets	<u>-1,449,042</u>	<u>1,218</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 19,924</u>	<u>\$ 1,218</u>
Net Change in Cash	\$ -308,418	\$ 22,149
Cash Balance at March 31, 2009	<u>1,682,318</u>	<u>118,897</u>
Cash Balance at March 31, 2010	<u><u>\$ 1,373,900</u></u>	<u><u>\$ 141,046</u></u>

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**STATEMENT OF CASH FLOWS
TWELVE MONTHS ENDED MARCH 31, 2010**

<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>	Proprietary <u>Funds</u>	Component <u>Unit</u>
Net operating income (loss)	\$ -229,500	\$ 13,266
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:		
Depreciation	738,328	6,253
Adjustments to net assets	-97,043	1,837
(Increase) decrease in accounts receivable	434,754	-6
(Increase) decrease in deferred charges	28,787	0
(Increase) decrease in inventories	-1,354	0
(Increase) decrease in loans receivable	0	0
Increase (decrease) in accounts payable	-70,900	-624
Increase (decrease) in accrued liabilities	17,154	0
Increase (decrease) in deferred revenues	-255,771	0
Increase (decrease) in other liabilities	<u>-14,906</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 549,549</u>	<u>\$ 20,726</u>

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

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

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

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

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

Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Housing Authority of the City of Elkhart is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements.

The Housing Authority has a component unit consisting of two non-profit sister corporations. The first is known as Housing Finance Corporation. The purpose for which the Corporation is formed is to carry out or assist in carrying out low-income housing projects, including assistance by borrowing and lending funds, with an emphasis on low-income housing projects formed or financed in compliance with Section 8 of the United States Housing Act of 1937 and the regulations promulgated thereunder.

The second non-profit corporation, Elkhart Community Housing Corporation was formed to provide affordable decent, and safe housing to low and moderate income people within the city of Elkhart and Elkhart County.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(b) Method of Accounting -

The financial statements of the Housing Authority have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

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

(c) Financial Statement Presentation

Although a formal policy has not been adopted, in financial statement preparation the Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, maintenance, insurance, depreciation, utilities, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

(d) Funds -

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

- * Low Rent Public Housing
- * Housing Choice Vouchers
- * New Construction
- * Housing Counseling
- * Capital Fund Program
- * American Recovery and Reinvestment Act - Formula Capital Stimulus Grant
- * ROSS
- * Elkhart Community Foundation Grant (State and Local)
- * Component Unit (Housing Finance Corporation and Elkhart Community Housing Corp)

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

Proprietary Fund Types:

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(e) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the practice of the Housing Authority is to consider all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of six (6) months or less when purchased to be cash equivalents.

(f) Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net assets and have been eliminated in the basic financial statements.

(g) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at March 31, 2010, and does not take into consideration prepaid amounts. The Housing Authority provides for an allowance for doubtful accounts, based on the estimated collections of current accounts receivables. The Housing Authority periodically writes off uncollectible accounts receivable to the allowance account based on a review of the current status of existing receivables and the determination that the receivable will not be collected.

(h) Inventories and Materials -

Inventories and materials are stated at cost which approximates market determined on a first-in, first-out basis.

(I) Investments -

Investments are stated at cost which approximates market.

(j) Fixed Assets -

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

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(j) Fixed Assets - (Continued)

Land, buildings and equipment contains the following:

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

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

Buildings	10-50 years
Equipment	5-15 years
Transportation equipment	5-15 years
Furniture and fixtures	5-15 years
Leasehold improvements	10-50 years

(k) Net Assets -

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

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

(l) Income Tax -

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(m) Annual Contributions/Subsidies and Other Grants

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

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

(n) The Housing Authority adopts a budget annually. The budget is submitted to the Board of Commissioners for approval. Subsequent budget revisions may also be required to be submitted for approval.

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

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

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

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

Note 2 - Cash and Investments

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

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

Custodial Credit Risk

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

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

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

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

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

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

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

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

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Low Rent (Amps and COCC)	\$ 1,265,135	\$ 1,502,140
Voucher	33,858	33,858
New Construction	72,131	76,405
Elkhart Community Foundation Grant	<u>2,776</u>	<u>2,776</u>
Total	\$ 1,373,900	\$ 1,615,179
Component Unit	<u>141,046</u>	<u>141,030</u>
Combined Total	<u>\$ 1,514,946</u>	<u>\$ 1,756,209</u>

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

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

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

<u>Program</u>	<u>Book Balance</u>	<u>Market Value</u>
Central Office Cost Center	\$ 300,000	\$ 300,000
New Construction	200,000	200,000
Amps	700,000	700,000
Voucher	<u>200,000</u>	<u>200,000</u>
Total	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 3 - Compensated Absences

Sick Leave

Employees may be paid for leave taken due to illness. Sick leave is accumulated at the rate of 3.69 hours per pay period. Any employee having more than eight hundred (800) hours accumulated sick leave forfeits accumulated pay for any hours over eight hundred (800) hours. An employee may take hours in excess of eight hundred (800) hours for illness at the discretion of the Executive Director.

Employees who voluntarily terminate employment shall be paid a lump sum for fifty percent (50%) of any accumulated sick leave up to four hundred (400) hours pay for eight hundred (800) or more hour's accumulated sick leave.

However, if the separation is the result of retirement at or after age of 62 and the employee has five (5) or more years of continuous service prior to retirement, the employee shall be paid one hundred percent (100%) of the accumulated sick leave up to four hundred (400) hours pay for eight hundred (800) or more hours accumulated sick leave.

Annual Leave

Annual leave with pay shall be earned by all full time employees at the following rates:

Beginning the first pay date following employment, the employees shall earn 3.08 hours of annual leave time per pay period. The employee shall continue to earn annual leave at this rate through the end of the fifth year of continuous service.

After five (5) full years of continuous employment and beginning on the first pay date of the sixth year of continuous employment, the employee shall earn 4.62 hours of annual leave time per pay period.

After ten (10) years of continuous service and beginning in the first month of the eleventh year of employment, the employee shall earn 6.15 hours of annual leave time per pay period.

After fifteen (15) years of continuous service and beginning in the first month of the sixteenth year of employment, the employee shall earn 16.67 hours of annual leave time for each month of employment.

Employees may accrued time up to twenty-five (25) working days (200) hours. Hours accrued in excess of 200 shall not be posted and shall not be paid. It will be at the discretion of the Department Director/Executive Director to waive the loss of excess hours accrued over 200 when an employee is not able to take any annual time off at the time the excess hours are accrued.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 4 - Defined Contribution Plan

The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate. The plan requires the Housing Authority to contribute 12.5% of the employees base salary each month. The Housing Authority's contribution for each employee are vested after 5 years. Housing Authority contributions forfeited by employees who leave employment prior to vesting are used to reduce current costs and contribution requirements. For the fiscal year ended March 31, 2010, actual contributions by the Housing Authority were \$197,955 based on \$1,245,480 of wage and salary expense.

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

	<u>Proprietary Funds</u>	<u>Component Unit</u>
Tenants accounts receivable (net)	\$ 47,034	\$ 0
Accounts receivable - HUD	79,678	0
Accounts receivable - Component Unit	954	0
Accounts receivable - other	<u>608</u>	<u>6</u>
Subtotal	\$ 128,274	\$ 6
Interfund	<u>201,693</u>	<u>0</u>
Total	<u>\$ 329,967</u>	<u>\$ 6</u>

Note 6 - Investments

At March 31, 2010 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	various	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>

Note 7 - Deferred Charges

This classification includes the following:

	<u>Proprietary Funds</u>	<u>Component Unit</u>
Prepaid insurance	\$ 31,365	\$ 0
Other	<u>22,413</u>	<u>0</u>
Total	<u>\$ 53,778</u>	<u>\$ 0</u>

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

<u>Note 8 - Fixed Assets</u>	<u>Proprietary Funds</u>	<u>Component Unit</u>		
Balance as of March 31, 2010	\$ 8,432,835	\$ 414,157		
Balance as of March 31, 2009	<u>7,722,121</u>	<u>421,628</u>		
Net Increase (Decrease)	<u>\$ 710,714</u>	<u>\$ -7,471</u>		
 <u>Reconciliation</u>				
Replacement of non-expendable equipment	\$ 13,310	\$ 0		
Property betterments and additions	1,463,221	0		
Current year depreciation expense	-738,328 *	-6,253 *		
Restatement of fixed asset basis	<u>-27,489</u>	<u>-1,218</u>		
Net Increase (Decrease)	<u>\$ 710,714</u>	<u>\$ -7,471</u>		
<u>Proprietary Funds Analysis</u>	<u>04/01/09 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>03/31/10 Balance</u>
Land	\$ 925,240	\$ 0	\$ 0	\$ 925,240
Buildings	15,709,985	767,780	0	16,477,765
Equipment and furniture	872,880	13,310	36,333	849,857
Leasehold improvements	<u>9,788,282</u>	<u>696,589</u>	<u>0</u>	<u>10,484,871</u>
Total	\$ 27,296,387	\$ 1,477,679	\$ 36,333	\$ 28,737,733
Accumulated depreciation	<u>-19,574,266</u>	<u>7,696</u>	<u>738,328 *</u>	<u>-20,304,898</u>
Net Assets	<u>\$ 7,722,121</u>	<u>\$ 1,485,375</u>	<u>\$ 774,661</u>	<u>\$ 8,432,835</u>
<u>Component Unit Analysis</u>	<u>04/01/09 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>03/31/10 Balance</u>
Land	\$ 140,278	\$ 0	\$ 0	\$ 140,278
Buildings	0	280,132	0	280,132
Equipment and Furniture	1,218	0	1,218	0
Construction in progress	<u>280,132</u>	<u>0</u>	<u>280,132</u>	<u>0</u>
Total	\$ 421,628	\$ 280,132	\$ 281,350	\$ 420,410
Accumulated depreciation	<u>0</u>	<u>0</u>	<u>6,253 *</u>	<u>-6,253</u>
Net Assets	<u>\$ 421,628</u>	<u>\$ 280,132</u>	<u>\$ 287,603</u>	<u>\$ 414,157</u>

* Current year depreciation expense recognized.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 9 - Accounts Payable

This classification includes the following accounts:	Proprietary <u>Funds</u>	Component <u>Unit</u>
Vendors and contractors	\$ 81,548	\$ 1
Tenants security deposits	89,108	2,250
Accounts payable - Public Housing	0	954
Accounts payable - HUD	51,378	0
Accounts payable - other	<u>1,882</u>	<u>0</u>
Subtotal	\$ 223,916	\$ 3,205
Interfund	<u>201,693</u>	<u>0</u>
Total	<u>\$ 425,609</u>	<u>\$ 3,205</u>

Note 10 - Notes Payable

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

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

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

Note 11 - Accrued Liabilities

Accrued liabilities consists of the following:	Proprietary <u>Funds</u>	Component <u>Unit</u>
<u>Current Portion:</u>		
Accrued compensated absences	\$ 13,962	\$ 0
Accrued wages/payroll taxes	39,437	0
Accrued pension	24,167	0
PILOT	<u>59,955</u>	<u>0</u>
Total Current Portion	\$ 137,521	\$ 0
<u>Noncurrent Portion:</u>		
Accrued compensated absences	52,054	0
Accrued pension	<u>31,678</u>	<u>0</u>
Total	<u>\$ 221,253</u>	<u>\$ 0</u>

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 12 - Summary of Long Term Liabilities

A summary of long term liabilities as of March 31, 2010

	04/01/2009			03/31/2010
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
<u>Proprietary Funds</u>				
Accrued compensated absences	\$ 79,960	\$ 0	\$ 27,906	\$ 52,054
Accrued pension	0	31,678	0	31,678
FSS escrow	<u>72,640</u>	<u>0</u>	<u>14,906</u>	<u>57,734</u>
Subtotal	\$ 152,600	\$ 31,678	\$ 42,812	\$ 141,466
<u>Component Unit</u>				
Loan payable	<u>313,094</u>	<u>0</u>	<u>313,094</u>	<u>0</u>
Total	<u>\$ 465,694</u>	<u>\$ 31,678</u>	<u>\$ 355,906</u>	<u>\$ 141,466</u>

Note 13 - Deferred Revenue

This classification consists of the following:

	<u>Proprietary Funds</u>	<u>Component Unit</u>
Tenants prepaid rent	\$ 7,368	\$ 0
Other unearned revenue	<u>8,388</u>	<u>0</u>
Total	<u>\$ 15,756</u>	<u>\$ 0</u>

Note 14 - Administrative Fee

The PHA receives an "Administrative Fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the HAP Program. The fee is calculated by HUD on an annual basis.

Note 15 - Allocation of Costs

The PHA allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program. Management considers this to be an equitable method of allocation.

Note 16 - Contingencies

Federal Grants

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

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2010
(CONTINUED)**

Note 17 - Prior Period Adjustments

Prior period adjustments posted directly to surplus are detailed below:

	Proprietary <u>Funds</u>	Component <u>Unit</u>
Adjustment of fixed asset basis	\$ -27,489	\$ 0
Adjustment of cash	-660	0
Adjustment of deferred revenue	-1,614	0
Adjustment to 2007 settlement	69,653	0
Transfer to/from Component Unit	-1,837	1,837
Coding errors	<u>-135,096</u>	<u>0</u>
 Total	 <u>\$ -97,043</u>	 <u>\$ 1,837</u>

Note 18 Contracts/Commitments

As of March 31, 2010, the Housing Authority had entered into the following pending construction projects in progress:

	<u>Funds Approved</u>	<u>Funds Expended To Date</u>
CFP 501-06	\$ 1,097,375	\$ 1,097,375
CFP 501-07	1,007,648	894,519
CFP 501-08	1,096,235	831,321
Stimulus Grant 501-09	<u>1,387,617</u>	<u>847,592</u>
 Total	 <u>\$ 4,588,875</u>	 <u>\$ 3,670,807</u>

Note 19 - Risk Management

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

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

Note 20 - Economic Dependency

The Housing Authority received most of its revenue (84%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

SUPPLEMENTAL DATA

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2010**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Program Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/Expenditures</u>
<u>U.S. Department of HUD</u>					
Direct Programs:					
Public and Indian Housing*	14.850a	FYE 03/31/10	\$ <u>1,749,429</u>	\$ <u>1,749,429</u>	\$ <u>1,749,429</u>
Lower Income Housing Assistance Program - New Construction*	14.182	FYE 03/31/10	\$ <u>729,089</u>	\$ <u>729,089</u>	\$ <u>729,089</u>
Housing Choice Voucher Program*	14.871	FYE 03/31/10	\$ <u>3,610,172</u>	\$ <u>3,610,172</u>	\$ <u>3,610,172</u>
Public Housing - Capital Fund*	14.872	FYE 03/31/10	\$ <u>3,201,258</u>	\$ <u>985,851</u>	\$ <u>985,851</u>
Housing Counseling Assistance	14.169	FYE 03/31/10	\$ <u>27,667</u>	\$ <u>27,667</u>	\$ <u>27,667</u>
ROSS Grant	14.870	FYE 03/31/10	\$ <u>76,133</u>	\$ <u>37,619</u>	\$ <u>37,619</u>
A.R.R.A. - Formula Capital Stimulus Grant*	14.885	FYE 03/31/10	\$ <u>1,387,617</u>	\$ <u>847,592</u>	\$ <u>847,592</u>
Total Housing Assistance			\$ <u>9,031,936</u>	\$ <u>7,987,419</u>	\$ <u>7,987,419</u>
<u>Flow Through (City of Elkhart)</u>					
C.D.B.G. Education Grant	14.218	FYE 03/31/10	\$ <u>4,741</u>	\$ <u>4,741</u>	\$ <u>4,741</u>
Total Federal Assistance			\$ <u>9,036,677</u>	\$ <u>7,992,160</u>	\$ <u>7,992,160</u>

*Denotes major program.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)
TWELVE MONTHS ENDED MARCH 31, 2010**

Note 1: Expenditures to the Housing Choice Voucher Program are reported equal to revenues recognized. This method of expenditure recognition does not reconcile to the Housing Authority's financial statements, but is required by HUD.

Note 2: Housing Authority of the City of Elkhart did not award any federal awards to any sub-recipients in the current fiscal year.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P026501-06**

1. The Actual Modernization Costs of Phase IN36P026501-06 are as follows:

Funds approved	\$ 1,097,375
Funds expended	<u>1,097,375</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Project notes, non-HUD	\$ 1,097,375
Funds expended	<u>1,097,375</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated March 17, 2010, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

PAMELA J. SIMPSON, C.P.A.

920 WEST PERSHING ROAD

DECATUR, ILLINOIS 62526

(217) 872-1908

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Commissioners
Housing Authority of the City of Elkhart
Elkhart, Indiana

I have audited the financial statements of Housing Authority of the City of Elkhart as of and for the year ended March 31, 2010 , and have issued my report thereon dated October 15, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Housing Authority of the City of Elkhart's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Elkhart's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the City of Elkhart's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses.

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiencies described in the schedule of current findings to be material weaknesses

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority of the City of Elkhart's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2010-02.

I noted certain matters that we reported to management of Housing Authority of the City of Elkhart, in a separate letter dated October 15, 2010.

Housing Authority of the City of Elkhart's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Housing Authority of the City of Elkhart's response and, accordingly, I express no opinion on it.

This reported in intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

Decatur, Illinois
October 15, 2010

PAMELA J. SIMPSON, C.P.A.

920 WEST PERSHING ROAD

DECATUR, ILLINOIS 62526

(217) 872-1908

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Commissioners
Housing Authority of the City of Elkhart
Elkhart, Indiana

Compliance

I have audited the compliance of Housing Authority of the City of Elkhart with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2010. Housing Authority of the City of Elkhart's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Housing Authority of the City of Elkhart's management. My responsibility is to express an opinion on Housing Authority of the City of Elkhart's compliance based on my audit.

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

In my opinion, Housing Authority of the City of Elkhart complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2010. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items (2010-2).

Internal Control Over Compliance

Management of Housing Authority of the City of Elkhart is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, I considered Housing Authority of the City of Elkhart's internal control over compliance with the requirements that could have a direct and material effect on a major federal programs. In planning and performing my audit, I considered Housing Authority of the City of Elkhart's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing my opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Housing Authority of the City of Elkhart's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Housing Authority of the City of Elkhart's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Housing Authority of the City of Elkhart's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Decatur, Illinois
October 15, 2010


Certified Public Accountant

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended March 31, 2009 contained no findings.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY
FOR THE YEAR ENDED MARCH 31, 2010**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report: Unqualified

- * Material weakness(es) identified? X yes no
- * Significant deficiency (ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? yes X no
- * Significant deficiency (ies) identified? X yes none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.850a	Public and Indian Housing
14.182	Housing Assistance Program -New Construction
14.871	Housing Choice Voucher Program
14.872	Public Housing - Capital Funds
14.885	A.R.R.A. - Formula Capital Fund Stimulus Grant

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

Auditee qualified as low-risk auditee? yes X no

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

CURRENT FINDINGS AND RECOMMENDATIONS

Section II - Financial Statement Findings

There was one financial statement audit finding discussed with Kim Sindle, Executive Director, Joan Lau, Director of Finance and the Board of Commissioners during the course of the audit or at an exit conference held October 15, 2010.

Finding 2010-01: Lack of Internal Controls over Financial Statement Preparation

Condition and criteria: The Authority is required to have internal controls over the preparation of their financial statements. The accounting software used by the Housing Authority to generate the general ledgers and resulting financial statements has been found to be unreliable in generating consistent and accurate data, therefore the related financial statements are not free of misstatements and errors.

Questioned costs: None

Effect: The internal controls in place are ineffective with the software currently used by the Housing Authority. As a result the controls do not adequately prevent or detect misstatements in the financial statements and the lack of adequate detail does not provide the information necessary to properly correct the statements.

Cause: The financial/accounting software purchased from an independent vendor does not provide adequate detailed audit trails that provide for account analysis and reconciliations necessary for the preparation of accurate financial statements.

Auditor's Recommendation: Since the Housing Authority has made every effort to work with the software vendor in correcting the errors in the software programming without success in a period covering more than two years, it is recommended that different software be obtained to process financial data of the agency.

Grantee's response and planned corrective actions: The Housing Authority management and Board of Commissioners have solicited bids and quotes on other accounting software based on a set of stringent specifications. Once the proposals have been obtained, the software will be evaluated by management. The plan of the agency is to have new software in place prior to the end of the next fiscal period.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

CURRENT FINDINGS AND RECOMMENDATIONS (CONTINUED)

Section II - Federal Award Findings and Questioned Costs

There was one federal award audit finding and questioned cost discussed with Kim Sindle, Executive Director, Joan Lau, Director of Finance and the Board of Commissioners during the course of the audit or at an exit conference held October 15, 2010.

Finding 2010-02: SEMAP Reporting Not Completed Timely

Condition and Criteria: HUD requires that all housing authorities operating a Section 8 voucher program to submit certain data electronically under the Section 8 Management Assessment Program (SEMAP). This submission is required no less than semi-annually for most agencies. The SEMAP submission is the system by which HUD measures an agencies performance in key areas. The Housing Authority failed to complete the submission as required.

Questioned Costs: None

Effect: The Housing Authority did not complete all of the HUD mandated reporting requirements..

Cause: A member of the Housing Authority's Section 8 Department experienced a personal emergency at the end of the reporting period and the reporting requirement was inadvertently overlooked by other members of management.

Auditor's Recommendation: The Housing Authority should review 24CFR Part 985 requirements (Section 8 Management Assessment Program) to determine that this reporting requirement is met in the future. All quality control samples required in 24CFR Part 985 should be completed and adequately documented as a basis for future SEMAP submission.

Grantee's response and planned corrective actions: The Executive Director and other members of management will not overlook the completion of any required reports in the future.

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
MARCH 31, 2010**

<u>Amp 1</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Accrued comp abs - ST	2135.1		\$ 388.79	2135.1
Accrued comp abs - LT	2135.2	\$ 288.84		2135.2
Compensated absence expense	4120	24.15		2806
(To get general ledger to actual per schedule)				
(2)				
Interfund	1129.2	\$ 909.27		1129.2
Employee benefits - admin	4540.32		\$ 120.16	2806
Employee benefits - maint	4540.33-300		127.43	2806
Admin wages	4110		423.05	2806
Maintenance wages	4410.00-300		238.63	2806
(To adjust accrued interest receivable to actual)				
(3)				
HUD PHA grants - soft 501-008	3401.04	\$ 1,515.51		2806
A/R - HUD other projects 501-007	1135.30	1,568.08		1135.30
HUD PHA grants - soft 501-007	3401.04		\$ 1,083.51	2806
HUD PHA grants - hard 501-007	3404.00		484.57	2806
D/C - other 501-008	2290		1,515.51	2290
(To adjust subsidy to actual per CFP worksheet)				
<u>Amp 2</u>				
(1)				
Accrued comp abs - ST	2135.1	\$ 409.12		2135.1
Accrued comp abs - LT	2135.2		\$ 323.61	2135.2
Compensated absence expense	4120		85.51	2806
(To get general ledger to actual per schedule)				
(2)				
Interfund	1129.2	\$ 880.76		1129.2
Employee benefits - admin	4540.32		\$ 231.31	2806
Employee benefits - maint	4540.33-300		223.01	2806
Admin wages	4110		341.94	2806
Maintenance wages	4410.00-300		84.50	2806
(To adjust accrued interest receivable to actual)				
(3)				
A/R - HUD other projects 501-007	1135.30	\$ 129.33		1135.30
A/R - HUD other projects 501-008	1135.30	2,816.17		1135.30
HUD PHA grants - hard 501-007	3404.00	200.00		2806
HUD PHA grants - hard 501-008	3404.00	602.00		2806
HUD PHA grants - soft 501-007	3401.04		\$ 329.33	2806
HUD PHA grants - soft 501-007	3401.04		3,418.17	2806
(To adjust subsidy to actual per CFP worksheet)				

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
MARCH 31, 2010**

<u>Amp 3</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Accrued comp abs - ST	2135.1		\$ 160.91	2135.1
Accrued comp abs - LT	2135.2	\$ 257.33		2135.2
Compensated absence expense	4120		96.42	2806
(To get general ledger to actual per schedule)				
(2)				
Interfund	1129.2	\$ 585.34		1129.2
Employee benefits - admin	4540.32		\$ 157.58	2806
Employee benefits - maint	4540.33-300		162.46	2806
Admin wages	4110		236.39	2806
Maintenance wages	4410.00-300		28.91	2806
(To adjust accrued interest receivable to actual)				
(3)				
A/R - HUD other projects 501-007	1135.30	\$ 375.81		1135.30
HUD PHA grants - soft 501-007	3401.04		\$ 375.80	2806
HUD PHA grants - hard 501-007	3404.00		.01	2806
(To adjust subsidy to actual per CFP worksheet)				
<u>Amp 4</u>				
(1)				
Accrued comp abs - ST	2135.1		\$ 173.16	2135.1
Accrued comp abs - LT	2135.2		133.48	2135.2
Compensated absence expense	4120	\$ 306.64		2806
(To get general ledger to actual per schedule)				
(2)				
Interfund	1129.2	\$ 556.35		1129.2
Employee benefits - admin	4540.32		\$ 120.57	2806
Employee benefits - maint	4540.33-300		191.74	2806
Admin wages	4110		199.56	2806
Maintenance wages	4410.00-300		44.48	2806
(To adjust accrued interest receivable to actual)				
(3)				
Dwell equip contra	1479		\$ 27,489.00	1479
Undesignated fund balance	2806	\$ 27,489.00		2806
(To set up contra for stoves that do not meet capitalization policy per PHA)				

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
MARCH 31, 2010**

<u>Amp 4 (Continued)</u>	<u>Audit</u>	<u>Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting</u>	<u>Account Number</u>
(4)						
A/R - HUD other projects	501-007	1135.30	\$ 104.33			1135.30
A/R - HUD other projects	501-008	1135.30	63.26			1135.30
HUD PHA grants - soft	501-007	3401.04		\$ 104.33		2806
HUD PHA grants - soft	501-008	3401.04		63.26		2806
HUD PHA grants - hard	501-007	3404.00		.00		2806

(To adjust subsidy to actual per CFP worksheet)

Amp 7

(1)						
Accrued comp abs - ST		2135.1	\$ 1,134.50			2135.1
Accrued comp abs - LT		2135.2		\$ 494.35		2135.2
Compensated absence expense		4120		640.15		2806

(To get general ledger to actual per schedule)

(2)						
Interfund		1129.2	\$ 1,324.10			1129.2
Employee benefits - admin		4540.32		\$ 144.02		2806
Employee benefits - maint		4540.33-300		140.75		2806
Admin wages		4110		259.86		2806
Maintenance wages		4410.00-300		779.47		2806

(To adjust accrued interest receivable to actual)

(3)						
A/R - HUD other projects	501-007	1135.30	\$.35			1135.30
A/R - HUD other projects	501-008	1135.30	375.80			1135.30
HUD PHA grants - hard	501-008	3404.00	49,796.49			2806
HUD PHA grants - soft	501-007	3401.04		\$.35		2806
HUD PHA grants - soft	501-008	3401.04		50,172.29		2806

(To adjust subsidy to actual per CFP worksheet)

Voucher

(1)						
Accrued comp abs - ST		2135.1		\$ 4,267.77		2135.1
Accrued comp abs - ST		2135.1	\$.74			2135.1
Accrued comp abs - ST		2135.1		766.54		2135.1
Accrued comp abs - LT		2135.2	6,802.64			2135.2
Accrued comp abs - LT		2135.2	254.51			2135.2
Accrued comp abs - LT		2135.2	766.53			2135.2
Compensated absence expense		4120		2,534.87		2806
Compensated absence expense		4120		255.25		2806
Compensated absence expense		4120	.01			2806

(To correct general ledger to match schedule)

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
MARCH 31, 2010**

<u>Voucher</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(2)				
Interfund	1129.2	\$ 556.35		1129.2
Interfund	1129.2	556.35		1129.2
Interfund	1129.2	556.35		1129.2
Employee benefits - admin	4540.30		\$ 120.57	2806
Employee benefits - admin	4540.30		120.57	2806
Employee benefits - admin	4540.30		120.57	2806
Admin wages	4110		199.56	2806
Admin wages	4110		199.56	2806

(To correct accrued payroll for benefits and manual checks double coded to expense)

(3)				
Accounts payable - HUD	2118	\$ 51,377.98		2118
Undesignated fund balance	2806		\$ 51,377.98	2806

(To revise prior year audit adjustments posted twice #167311 and #172818)

(4)				
R/S unfunded Voucher fees	2827.20	\$ 5,878.00		2827
Accounts receivable - HUD	1135.30	2,494.00		1135.30
Accounts receivable - HUD	1135.30	9,904.00		1135.30
HOV Homeownership subsidy	3401.03	9,906.00		2806
Accounts receivable - HUD	1135.30		\$ 9,906.00	1135.30
HUD PHA grant/admin fees	3401.01		123.00	2806
Section 8 income	3410		8,249.00	2806
FSS subsidy	3401.02		9,904.00	2806

(To adjust subsidy to HUD notices per H/A)

COCC

(1)				
Accrued comp abs - ST	2119.55		\$ 4,113.66	2119.55
Accrued comp abs - ST	2119.56		3,713.07	2119.56
Accrued comp abs - ST	2135.10		253.21	2135.10
Accrued comp abs - ST	2135.10		2,609.41	2135.10
Accrued comp abs - ST	2135.10		82.05	2135.10
Accrued comp abs - LT	2135.20		320.16	2135.20
Accrued comp abs - LT	2135.20	\$ 52.81		2135.20
Accrued comp abs - LT	2135.20	4,898.85		2135.20
Accrued comp abs - LT	2135.20	718.47		2135.20
Accrued comp abs - LT	2135.20	2,350.61		2135.20
Compensated absence expense	4120	7,826.73		2806
Compensated absence expense	4120	320.16		2806
Compensated absence expense	4120	200.40		2806
Compensated absence expense	4120		2,289.44	2806
Compensated absence expense	4120		636.42	2806
Compensated absence expense	4120		2,350.61	2806

(To correct general ledger to match schedule)

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
MARCH 31, 2010**

<u>COCC (Continued)</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(2)				
Employee benefits - admin	4540.30	\$ 4.80	\$ 506.94	2806
Employee benefits - admin	4540.30		520.87	2806
Employee benefits - admin	4540.30		230.11	2806
Admin wages	4110		311.15	2806
Admin wages	4110		883.92	2806
Maintenance wages	4410	7,026.31	1,923.76	2806
Admin wages	4110		436.00	2806
Admin wages	4110		550.70	2806
Interfunds - payable	1129.20		6,967.80	1129.20
Accrued payroll	2120	7,048.33		2120
(To correct accrued payroll for benefits and manual checks double coded to expense)				
(3)				
Undesignated fund balance	2806	\$ 1,836.60		2806
General fund cash	1111.10		\$ 1,836.60	1111.10
(To reverse JE #165036 - cash was withdrawn, not deposited in COCC)				
(4)				
Undesignated fund balance	2806	\$ 151.13		2806
Office supplies	4190.40		\$ 151.13	2806
(To set up vendor payable per search for unrecorded)				
(5)				
HUD PHA grants - soft 501-007	3404	\$ 91.10		2806
HUD PHA grants - hard 508-000	3404	452.51		2806
HUD PHA grants - hard 501-007	3404	6,781.59		2806
HUD PHA grants - hard 501-008	3404	5.45		2806
A/R - HUD other projects 501-008	1135.30	1,083.94		1135.30
D/C - other 501-007	2290		\$ 6,872.69	2290
HUD PHA grants - soft 508-000	3401		452.51	2806
HUD PHA grants - soft 501-008	3401.04		1,089.39	2806
(To adjust subsidy to actual per CFP worksheet)				

New Construction

(1)				
Accrued comp abs - LT	2135.20	\$ 1,124.61		2135.20
Accrued comp abs - ST	2135.10		\$ 526.40	2135.10
Compensated absence expense	4120		598.21	2806
(To correct general ledger to match schedule)				
(2)				
Interfund	1129.20	\$ 94.89		1129.20
Admin wages	4110		\$ 94.89	2806
(To correct accrued payroll for benefits and manual checks double coded to expense)				

**HOUSING AUTHORITY OF THE CITY OF ELKHART
ELKHART, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
MARCH 31, 2010**

<u>ROSS</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Accrued comp abs - ST	2135.10	\$ 515.40		2135.10
Accrued comp abs - LT	2135.20		\$ 472.09	2135.20
Compensated absence expense	4120		43.31	2806
(To correct general ledger to match schedule)				
(2)				
Interfund	1129.20	\$ 314.78		1129.20
Employee benefits	4540.30		\$ 96.16	2806
Admin wages	4110		218.62	2806
(To correct accrued payroll for benefits and manual checks double coded to expense)				
<u>Component Unit</u>				
(1)				
Maintenance materials	4420	\$ 1,218.00		2806
Maintenance equipment	1400.43		\$ 1,218.00	1400.43
(To remove capitalized equipment that does not meet capitalizations policy requirement)				

Housing Authority of the City of Elkhart (IND26)
ELKHART, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2010

	Project Total	6 Component Units	14.371 Housing Choice Vouchers	14.182 NYC SFR Section 8 Programs	2 State/Local	14.163 Housing Counseling Assistance Program	97.109 Disaster Housing Assistance Grant	14.870 Resident Opportunity and Supportive Services	14.885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
311 Bank Overdraft													
312 Accounts Payable - 90 Days	\$5,637	\$1	\$9,598	\$13						\$16,240	\$91,549		\$81,549
313 Accounts Payable - 90 Days Past Due													
321 Accrued Wage/Payroll Taxes Payable								\$291		\$39,437	\$39,437		\$39,437
322 Accrued Compensated Absences - Current Portion	\$1,866		\$5,975	\$27						\$6,323	\$13,952		\$13,952
324 Accrued Contingency Liability													
325 Accrued Interest Payable			\$51,378								\$51,378		\$51,378
331 Accounts Payable - HUD PHA Programs													
332 Account Payable - PHA Projects	\$69,956										\$69,956		\$69,956
333 Accounts Payable - Other Government	\$89,109	\$2,250								\$1,000	\$91,359		\$91,359
341 Tenant Security Deposits	\$9,893									\$6,873	\$15,766		\$15,766
342 Deferred Revenues													
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds													
344 Current Portion of Long-term Debt - Operating Borrowings	\$64			\$1,828							\$1,892		\$1,892
345 Other Current Liabilities													
346 Accrued Liabilities - Other								\$24,991		\$24,167	\$24,167		\$24,167
347 Inter Program - Due To		\$54				\$5,990				\$170,712	\$170,712		\$170,712
348 Loan Liability - Current													
310 Total Current Liabilities	\$24,553	\$3,205	\$66,951	\$2,363	\$0	\$5,990	\$0	\$25,272	\$0	\$263,752	\$512,091	-\$202,647	\$379,444
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	\$3,039		\$4,696								\$7,734		\$7,734
354 Accrued Compensated Absences - Non Current	\$7,619		\$11,313	\$426				\$1,158		\$31,538	\$52,054		\$52,054
355 Loan Liability - Non Current													
356 FASB 5 Liabilities													
357 Accrued Pension and OPEB Liabilities			\$6,006	\$426							\$31,678		\$31,678
350 Total Non-Current Liabilities	\$10,658	\$0	\$17,019	\$852	\$0	\$0	\$0	\$1,158	\$0	\$63,216	\$141,466	\$0	\$141,466
300 Total Liabilities	\$225,211	\$3,205	\$132,959	\$2,794	\$0	\$5,990	\$0	\$26,430	\$750,861	\$1,279,340	\$8,846,992	-\$202,647	\$6,223,910
508.1 Invested in Capital Assets, Net of Related Debt	\$6,356,439	\$414,157	\$36,135										\$6,806,731
509.2 Fund Balance Reserved													
511.2 Unreserved, Designated Fund Balance			\$327,656								\$327,656		\$327,656
511.1 Restricted Net Assets			\$22,524								\$22,524		\$22,524
512.1 Unreserved Net Assets	\$808,616	\$137,847	\$2,524	\$270,689	\$2,776	\$5,990	\$0	-\$1,124	\$0	\$1,005,002	\$2,335,350	\$0	\$2,335,350
512.2 Unreserved, Undesignated Fund Balance			\$386,315	\$270,689	\$2,776	\$5,990	\$0	-\$1,124	\$760,861	\$2,384,342	\$11,509,998	\$0	\$11,509,998
513 Total Equity/Net Assets	\$7,160,115	\$552,004	\$386,315	\$270,689	\$2,776	\$5,990	\$0	-\$1,124	\$760,861	\$2,384,342	\$11,509,998	\$0	\$11,509,998
600 Total Liabilities and Equity/Net Assets	\$7,385,326	\$556,209	\$519,274	\$273,493	\$2,776	\$0	\$0	\$25,306	\$760,861	\$2,711,310	\$12,235,555	-\$202,647	\$12,030,908

Housing Authority of the City of Elkhart (IND26)
ELKHART, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2010

	Project Total	6 Component Units	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	2 State/Local	14.189 Housing Counseling Assistance Program	97.103 Disaster Housing Assistance Grant	14.870 Resident Opportunity and Supportive Services	14.895 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$982,051	\$16,525								\$3,051	\$1,008,646		\$1,008,646
70400 Tenant Revenue - Other	\$95,976	\$102								\$3,051	\$99,129		\$99,129
70500 Total Tenant Revenue	\$1,078,027	\$16,627	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,051	\$1,107,775	\$0	\$1,107,775
70600 HUD PHA Operating Grants	\$1,933,271		\$3,610,172	\$729,089		\$27,657		\$37,619	\$79,912	\$106,564	\$6,523,194		\$6,523,194
70610 Capital Grants	\$669,124							\$767,780	\$12,062	\$1,468,966	\$1,468,966		\$1,468,966
70710 Management Fee										\$494,638	\$494,638	-\$494,638	\$0
70720 Asset Management Fee										\$80,640	\$80,640	-\$80,640	\$0
70730 Book Keeping Fee										\$58,358	\$58,358	-\$58,358	\$0
70740 Front Line Service Fee										\$170,433	\$170,433	-\$63,788	\$106,645
70750 Other Fees										\$804,129	\$804,129	-\$709,484	\$104,645
70700 Total Fee Revenue			\$3,610,172	\$729,089		\$27,657		\$37,619	\$79,912	\$1,468,966	\$5,231,194	-\$1,468,966	\$3,762,228
70800 Other Government Grants										\$3,786	\$18,437		\$18,437
71100 Investment Income - Unrestricted	\$13,157	\$205	\$22	\$1,267									
71200 Mortgage Interest Income													
71300 Proceeds from Disposition of Assets Held for Sale													
71310 Cost of Sale of Assets													
71400 Fraud Recovery	\$50,853		\$31,346								\$82,199		\$82,199
71500 Other Revenue	\$50,337	\$11,888	\$7,215							\$16,315	\$84,756		\$84,756
71600 Gain or Loss on Sale of Capital Assets			\$11,156								\$11,156		\$11,156
72000 Investment Income - Restricted			\$3,650,512	\$730,365	\$0	\$27,657	\$0	\$37,619	\$847,892	\$563,807	\$10,111,212	-\$709,484	\$9,401,728
70000 Total Revenue	\$3,814,789	\$28,790	\$3,650,512	\$730,365	\$0	\$27,657	\$0	\$37,619	\$847,892	\$563,807	\$10,111,212	-\$709,484	\$9,401,728

Housing Authority of the City of Elkhart (IND26)
ELKHART, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2010

	Project Total	6 Component Units	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	2 State/Local	14.163 Housing Counseling Assistance Program	97.109 Disaster Housing Assistance Grant	14.870 Resident Opportunity and Supportive Services	14.885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
91100 Administrative Salaries	\$31,189		\$201,885	\$1,838		\$12,692		\$28,025		\$67,510	\$1,046,829		\$1,046,829
91200 Auditing Fees	\$7,727		\$7,273	\$1,828						\$16,834	\$16,834		\$16,834
91300 Management Fee	\$414,065		\$72,000	\$6,640						\$94,698	\$94,698		\$94,698
91310 Book-keeping Fee	\$68,356		\$0							\$68,356	\$68,356		\$68,356
91400 Advertising and Marketing	\$3,369		\$976			\$2,982				\$1,148	\$8,375		\$8,375
91500 Employee Benefit Contributions - Administrative	\$80,843		\$81,503	\$4,525		\$4,220		\$2,260		\$175,446	\$355,617		\$355,617
91600 Office Expenses	\$67,250	\$180	\$14,516	\$1,308	\$1,980	\$6,508				\$106,214	\$106,214		\$106,214
91700 Legal Expense	\$0	\$34	\$0							\$6,250	\$6,250		\$6,250
91800 Travel	\$4,747	\$36	\$4,762	\$753	\$540	\$5,630				\$19,165	\$35,623		\$35,623
91910 Allocated Overhead	\$69,788									\$69,788	\$69,788		\$69,788
91900 Other									\$79,812	\$79,812	\$79,812		\$79,812
91900 Total Operating - Administrative	\$37,029	\$260	\$32,611	\$28,892	\$2,650	\$4,022	\$0	\$37,305	\$79,812	\$73,381	\$2,276,432	-\$622,844	\$1,653,588
92000 Asset Management Fee	\$80,640									\$80,640	\$80,640		\$80,640
92100 Tenant Services - Salaries													
92200 Relocation Costs													
92300 Employee Benefit Contributions - Tenant Services													
92400 Tenant Services - Other	\$12,733		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,733		\$12,733
92500 Total Tenant Services	\$12,733	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,733	\$0	\$12,733
93100 Water	\$23,340	\$54								\$2,277	\$34,671		\$34,671
93200 Electricity	\$137,369	\$65								\$16,020	\$153,444		\$153,444
93300 Gas	\$95,141	\$110								\$5,371	\$101,622		\$101,622
93400 Fuel	\$0									\$0	\$0		\$0
93500 Labor	\$0									\$0	\$0		\$0
93600 Sewer	\$25,053	\$2,602								\$471	\$28,126		\$28,126
93700 Employee Benefit Contributions - Utilities													
93800 Other Utilities Expense													
93900 Total Utilities	\$290,903	\$2,821	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,138	\$317,863	\$0	\$317,863
94100 Ordinary Maintenance and Operations - Labor	\$162,265		\$17,515								\$196,780		\$196,780
94200 Ordinary Maintenance and Operations - Materials and Other	\$140,468	\$1,644	\$1,707							\$143,719	\$143,719		\$143,719
94300 Ordinary Maintenance and Operations Contracts	\$653,451	\$2,914	\$4,620	\$440						\$0	\$677,635	\$0	\$677,635
94500 Employee Benefit Contributions - Ordinary Maintenance	\$46,976		\$7,104							\$54,080	\$54,080		\$54,080
94600 Total Maintenance	\$1,026,170	\$4,458	\$31,146	\$440	\$0	\$0	\$0	\$0	\$0	\$1,062,214	\$0	\$0	\$1,062,214

Housing Authority of the City of Elkhart (IND26)
ELKHART, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2010

	Project Total	6 Component Units	14,871 Housing Choice Vouchers	14,182/NC SR Section 8 Programs	2 State/Local	14,163 Housing Counseling Assistance Program	97,109 Disaster Housing Assistance Grant	14,870 Resident Opportunity and Supportive Services	14,885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
95100 Protective Services - Labor													
95200 Protective Services - Other Contract Costs	\$80,684									\$670	\$81,254		\$81,254
95300 Protective Services - Other													
95500 Employee Benefit Contributions - Protective Services	\$80,684	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$670	\$81,254	\$0	\$81,254
95000 Total Protective Services	\$161,368	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,340	\$162,708	\$0	\$162,708
96110 Property Insurance	\$101,978	\$1,527	\$0							\$2,642	\$106,147		\$106,147
96120 Liability Insurance	\$32,928		\$0							\$32,928	\$32,928		\$32,928
96130 Workers Compensation	\$9,230		\$3,365							\$7,666	\$20,271		\$20,271
96140 All Other Insurance	\$6,242		\$2,945							\$2,676	\$36,954		\$36,954
95100 Total Insurance Premiums	\$150,438	\$1,527	\$6,310	\$0	\$0	\$0	\$0	\$0	\$0	\$37,035	\$196,300	\$0	\$196,300
96200 Other General Expenses													
95210 Compensated Absences	-\$162		-\$1,165	\$903				\$538		\$11,647	\$11,871		\$11,871
95300 Payments in Lieu of Taxes	\$93,995		\$0							\$93,995	\$93,995		\$93,995
95400 Bad debt - Tenant Rents	\$4,543									\$4,543	\$4,543		\$4,543
95500 Bad debt - Mortgage													
95600 Bad debt - Other													
95800 Saverance Expense													
95900 Total Other General Expenses	\$104,346	\$0	-\$1,165	\$903	\$0	\$0	\$0	\$538	\$0	\$11,647	\$116,369	\$0	\$116,369
96700 Interest on 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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96800 Total Operating Expenses	\$2,652,843	\$9,066	\$4,188,892	\$30,235	\$2,520	\$34,022	\$0	\$37,943	\$79,812	\$84,472	\$4,142,805	-\$703,464	\$3,439,321
97000 Excess of Operating Revenue over Operating Expenses	\$1,151,126	\$19,724	\$3,241,620	\$700,121	-\$2,520	-\$6,355	\$0	-\$324	\$767,780	\$116,438	\$5,968,407	\$0	\$5,968,407
97100 Extraordinary Maintenance													
97200 Casualty Losses - Non-capitalized	\$12,393										\$12,393		\$12,393
97300 Housing Assistance Payments	\$3,024		\$3,260,711	\$665,373							\$3,929,108		\$3,929,108
97350 HAP Portability-In													
97400 Depreciation Expense	\$890,966	\$6,253	\$3,843								\$744,381		\$744,381
97500 Fraud Losses													
97600 Capital Outlays - Governmental Funds													
97700 Debt Principal Payment - Governmental Funds													
97800 Dwelling Units Rent Expense													
90000 Total Expenses	\$3,289,226	\$15,319	\$3,685,446	\$695,608	\$2,520	\$34,022	\$0	\$37,943	\$86,731	\$94,072	\$8,828,887	-\$703,464	\$8,125,403

Housing Authority of the City of Elkhart (IND26)
ELKHART, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2010

	Project Total	6 Component Units	14,871 Housing Choice Vouchers	14,192 I/C S/R Section 8 Programs	2 State/Local	14,163 Housing Counseling Assistance Program	97,109 Disaster Housing Assistance Grant	14,870 Resident Opportunity and Supportive Services	14,885 Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In													
10020 Operating Transfer Out													
10030 Operating Transfers from/to Primary Government													
10040 Operating Transfers from/to Component Unit													
10050 Proceeds from Notes, Loans, and Bonds													
10060 Proceeds from Property Sales													
10070 Extraordinary Items, Net Gain/Loss													
10080 Special Items (Net Gain/Loss)													
10081 Inter Project Excess Cash Transfer In													
10082 Inter Project Excess Cash Transfer Out													
10083 Transfers between Program and Project - In													
10084 Transfers between Project and Program - Out													
10100 Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$625,543	\$13,471	-\$22,834	\$34,748	-\$2,520	-\$6,395	\$0	-\$324	\$760,861	-\$20,165	\$1,282,325	\$0	\$1,282,325
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$6,780,054	\$536,696	\$400,369	\$166,298	\$5,296	\$2,803	\$10,080	-\$800	\$0	\$2,422,063	\$10,322,879	\$0	\$10,322,879
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$145,482	-\$1,837	\$8,880	\$69,653		-\$2,438	-\$10,080			-\$17,576	-\$95,206		-\$95,206
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			\$8,659								\$8,659		\$8,659
11180 Housing Assistance Payments Equity			\$327,656								\$327,656		\$327,656
11190 Unit Months Available	8054	36	7596		0		0			0	15696	0	15696
11210 Number of Unit Months Leased	7781	36	7275		0		0			0	15092	0	15092
11270 Excess Cash	\$653,945										\$653,945		\$653,945
11610 Land Purchases	\$0										\$0		\$0
11620 Building Purchases	\$0										\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$42,801										\$42,801		\$42,801
11640 Furniture & Equipment - Administrative Purchases	\$3,470										\$3,470		\$3,470
11650 Leasehold Improvements Purchases	\$663,379										\$663,379		\$663,379
11660 Infrastructure Purchases	\$0									\$32,062	\$32,062		\$32,062
13510 CFFP Debt Service Payments	\$0										\$0		\$0
13501 Replacement Housing Factor Funds	\$0										\$0		\$0