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May 29, 2014

Board of Directors
Peru Housing Authority
701 E. Main Street
Peru, IN 45970

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period January 1, 2011 to December 31, 2011. 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 Peru Housing Authority, as of December 31, 2011 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

**PERU HOUSING AUTHORITY
PERU, INDIANA**

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

TWELVE MONTHS ENDED DECEMBER 31, 2011

**PERU HOUSING AUTHORITY
PERU, INDIANA**

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Independent Auditor's Report

Board of Directors
Peru Housing Authority
Peru, Indiana

I have audited the accompanying financial statements of Peru Housing Authority, as of and for the year ended December 31, 2011, 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 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 Peru Housing Authority, as of December 31, 2011 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 August 23, 2012, on my consideration of the Authority's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulation, contracts and grants. The purpose of that report is to describe the scope of my testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures on the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial systems. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Peru Housing Authority's basic financial statements. The 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 also not a required part of the basic financial statements of the Peru Housing Authority. The accompanying financial data schedule and other additional statements and schedules listed as supplemental data in the table of contents has been subjected to the auditing procedures and certain other additional procedures in accordance with auditing standards generally accepted in the United States of America . In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, I do not express an opinion or provide any assurance on it.

Decatur, Illinois
August 23, 2012



Certified Public Accountant

HOUSING AUTHORITY OF THE CITY OF PERU
Peru, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2011

The management of the Housing Authority of the City of Peru (PHA) offers this narrative overview and analysis of its audited financial statements for fiscal year ended December 31, 2011. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begins on page 7.

FINANCIAL HIGHLIGHTS:

- The assets of the PHA exceed its liabilities as of December 31, 2011 by \$3,740,211 (Net Assets).
- The PHA's investment in Capital Assets, net of related debt as of December 31, 2011 was \$2,831,651.
- The PHA's total revenue for the fiscal year end December 31, 2011 was \$1,739,590.
- The PHA's total expenses for the fiscal year end December 31, 2011 were \$1,758,126.
- Therefore; the PHA's total combined expense exceeded its total combined revenue by \$18,536.

OVERVIEW OF THE FINANCIAL STATEMENTS:

The following financial statements are included in this report:

- *Statement of Net Assets* - reports the Authority current financial resources: its cash and other current assets, its current and non-current liabilities and comparing those two elements, the resulting net assets of the PHA. A comparison between this year and the preceding year is also provided.
- *Statement of Revenue and Expenses* - reports the PHA's various revenue and expenses and provides a comparison between this year and the preceding year.

HOUSING AUTHORITY OF THE CITY OF PERU
Peru, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2011

ANALYSIS OF FINANCIAL STATEMENTS:

STATEMENT OF NET ASSETS

	<u>2011</u>	<u>2010</u>	INCREASE (DECREASE)
Cash and investments	\$ 991,803	\$ 846,948	144,855
Other current assets	17,113	47,446	(30,333)
Notes receivable	-	-	-
Capital assets	<u>2,831,651</u>	<u>2,986,105</u>	<u>(154,454)</u>
TOTAL ASSETS	<u>\$ 3,840,567</u>	<u>\$ 3,880,499</u>	<u>\$ (39,932)</u>
Current liabilities	\$ 81,074	\$ 83,663	\$ (2,589)
Non-Current liabilities	<u>19,282</u>	<u>38,089</u>	<u>(18,807)</u>
TOTAL LIABILITIES	<u>100,356</u>	<u>121,752</u>	<u>(21,396)</u>
Invested in capital assets	\$ 2,831,651	2,986,105	\$ (154,454)
Restricted assets	262,466	159,245	103,221
Unrestricted assets	<u>646,094</u>	<u>613,397</u>	<u>32,697</u>
TOTAL NET ASSETS	<u>\$ 3,740,211</u>	<u>\$ 3,758,747</u>	<u>\$ (18,536)</u>

The increase in cash and investments is due to increase in tenant revenue, other government grants and misc income.

The decrease in other current assets is due to a decrease in account receivables.

The decrease in capital assets is due to a decrease in the amount of Capital Fund money to expend.

The decrease in non-current liabilities is due to a decrease in the FSS program on the Voucher program.

The increase in restricted assets is due to the amount of restricted cash in the HAP account.

The increase in unrestricted assets is due to the increase in cash and investment accounts and the transfer of CFP 2007, 2008 and CFRG to Public Housing.

HOUSING AUTHORITY OF THE CITY OF PERU
Peru, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2011

ANALYSIS OF STATEMENT OF REVENUE AND EXPENSES
PRIOR AND CURRENT FISCAL YEAR:

	YEAR ENDING JUNE 30, 2011		INCREASE (DECREASE)
	<u>2011</u>	<u>2010</u>	
REVENUE			
Tenant revenue	\$ 294,780	\$ 277,388	\$ 17,392
HUD operating and capital grants	1,151,239	1,352,711	(201,472)
Other government grants	255,878	135,249	120,629
Interest	9,105	9,376	(271)
Other revenue	20,592	6,489	14,103
Fraud recovery	7,996	10,258	(2,262)
TOTAL REVENUE	<u>\$ 1,739,590</u>	<u>\$ 1,791,471</u>	<u>\$ (51,881)</u>
EXPENSES			
Administrative expenses	\$ 289,657	\$ 299,057	\$ (9,400)
Tenant services	2,121	5,584	(3,463)
Utilities	44,981	49,619	(4,638)
Ordinary maintenance	155,198	159,827	(4,629)
Protective services	-	-	-
General expenses	78,739	66,834	11,905
Housing assistance payments	989,175	936,875	52,300
Extraordinary maintenance	1,265	7,127	(5,862)
Depreciation	196,990	170,407	26,583
TOTAL EXPENSES	<u>\$ 1,758,126</u>	<u>\$ 1,695,330</u>	<u>\$ 62,796</u>
EXCESS OF EXPENSES OVER REVENUE	<u>\$ (18,536)</u>	<u>\$ 96,141</u>	

The decrease in HUD operating and capital grants is due to a decrease in Capital Fund draws and the amount of Operating Subsidy received.

The decrease in administrative expenses is due to a decrease in administrative salaries.

The decrease in utilities is due to efficiency due to improvements.

The increase in housing assistance payments is due to increased leasing for the year.

HOUSING AUTHORITY OF THE CITY OF PERU
Peru, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2011

SIGNIFICANT TRANSACTIONS

NONE

BUDGETARY HIGHLIGHTS

Low-Rent Public Housing (Operations Only)

CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY DURING THE YEAR

There were capital asset purchases made throughout the year. They are as follows:

- Low Rent Program: 2 computers with monitors
- Voucher - printer

FUTURE EVENTS (NEW BUSINESS)

None Anticipated

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the PHA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Shirley Foreman, Executive Director, Housing Authority of the City of Peru, 701 East Main Street, Peru, IN 46970.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
AS OF DECEMBER 31, 2011**

ASSETS

CURRENT ASSETS

Cash	\$ 212,889
Accounts receivable (interfund eliminated)	7,307
Investments	497,158
Inventory	3,149
Deferred charges	<u>6,657</u>

Total Current Assets \$ 727,160

RESTRICTED ASSETS

Restricted cash	<u>\$ 281,756</u>
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Total Restricted Assets \$ 281,756

CAPITAL ASSETS

Land, buildings and equipment	\$ 5,589,484
Less: accumulated depreciation	<u>-2,757,833</u>

Net Capital Assets \$ 2,831,651

Total Assets \$ 3,840,567

LIABILITIES

CURRENT LIABILITIES

Accounts payable (interfund eliminated)	\$ 31,774
Accrued liabilities	23,937
Deferred revenue	<u>25,363</u>

Total Current Liabilities \$ 81,074

NONCURRENT LIABILITIES

FSS escrow	<u>\$ 19,282</u>
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Total Noncurrent Liabilities \$ 19,282

NET ASSETS

Invested in capital assets	\$ 2,831,651
Restricted net assets	262,466
Unrestricted	<u>646,094</u>

Total Net Assets \$ 3,740,211

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

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Operating Income

Tenant rental revenue	\$ 284,356
Tenant revenue - other	<u>10,424</u>
 Total Rental Income	 \$ 294,780
 HUD grants - operating	 1,110,940
Other government grants	255,878
Fraud recovery	7,996
Other revenue	21,451
Gain (loss) on sale of fixed assets	<u>-859</u>
 Total Operating Income	 <u>\$ 1,690,186</u>

Operating Expenses

Administration	\$ 289,657
Tenant services	2,121
Utilities	44,981
Ordinary maintenance and operation	155,198
General expense	78,739
Extraordinary maintenance	1,265
Housing assistance payments	989,175
Depreciation	<u>196,990</u>
 Total Operating Expenses	 <u>\$ 1,758,126</u>
 Net Operating Income (Loss)	 \$ -67,940

Nonoperating Income (Expense)

Interest income	9,105
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Capital Contributions

Capital fund grants	<u>40,299</u>
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Changes in net assets	\$ -18,536
Net assets, beginning of year	<u>3,758,747</u>
 Net assets, end of year	 <u><u>\$ 3,740,211</u></u>

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

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Operating Activities

Operating grants	\$ 1,399,405
Tenant revenue	294,429
Other revenue	28,588
Housing assistance payments	-989,175
Payments to employees	-262,503
Payments to suppliers and contractors	<u>-332,757</u>

Net Cash Provided (Used) by Operating Activities \$ 137,987

Investing Activities

Investments (purchased) redeemed	\$ -8,575
Interest income	<u>9,105</u>

Net Cash Provided (Used) by Investing Activities \$ 530

Capital and Related Financing Activities

Capital fund grants	\$ 40,299
Additions (deletions) to fixed assets	<u>-42,536</u>

Net Cash Provided (Used) by Financing Activities \$ -2,237

Net Change in Cash \$ 136,280

Cash Balance at December 31, 2010 358,365

Cash Balance at December 31, 2011 \$ 494,645

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

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

Net operating income (loss)	\$ -67,940
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	196,990
(Increase) decrease in accounts receivable	28,158
(Increase) decrease in deferred charges	1,268
(Increase) decrease in other assets	907
Increase (decrease) in account payable	-1,908
Increase (decrease) in accrued liabilities	-3,146
Increase (decrease) in deferred revenues	2,465
Increase (decrease) in other liabilities	<u>-18,807</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 137,987</u>

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

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Peru Housing Authority was established by the City of Peru 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 Peru 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 City 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 Peru Housing Authority is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

(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.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(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
- * Capital Fund Program
- * State and Local

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.

(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 one (1) month or less when purchased to be cash equivalents.

(f) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at December 31, 2011, 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.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(g) Inventories and Materials -

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

(h) Investments -

Investments are stated at cost which approximates market.

(i) 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.

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	40	years
Equipment	5-10	years
Transportation equipment	5	years
Leasehold improvements	15	years

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(j) 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."

(k) Income Tax -

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

(l) 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) 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.

(m)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.

(n)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.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

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

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 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.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

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'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.

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

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Low Rent	\$ 176,268	\$ 183,978
Voucher	287,900	288,459
State and Local	<u>30,477</u>	<u>32,896</u>
Total	<u>\$ 494,645</u>	<u>\$ 505,333</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>
Low Rent	<u>\$ 497,158</u>	<u>\$ 497,158</u>

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 3 - Compensated Leaves

Vacation Leave

All vacation is awarded as of January 1 of each year for employees with at least six months of service. Those with less than six months will be awarded one-half of the vacation of a one-year employee. All vacation time shall be used as of December 31 of each year and shall not be allowed to accumulate.

Sick Leave

Sick leave shall be awarded at the rate of six days per year on January 1 of each year. Sick leave is accumulative without limit, however, upon separation sick leave shall be forfeited.

No liability for accrued compensated absences has been recorded based on these policies.

Note 4 - Defined Contribution Plan

All employees who are at least 21 years of age and have worked in at least one year of the immediately preceding five years and earns at least \$313 in the year will be provided a Simplified Employee Pension - Individual Retirement Account (SEP). The PHA shall provide a contribution equal to 10% of the gross annual wages of the employee. For the fiscal year ended December 31, 2011, actual contributions by the Housing Authority and plan participants were \$21,391 related to salary and wages of \$261,075 paid during the year.

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

Accounts receivable - HUD	\$	1,627
Accounts receivable - miscellaneous		325
Accounts receivable - tenants		101
Fraud recovery		7,714
Allowance for doubtful accounts		<u>-2,460</u>
Subtotal	\$	7,307
Interfund		<u>9,987</u>
Total	\$	<u>17,294</u>

Note 6 - Investments

At December 31, 2011 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	0.20-3.77%	<u>\$ 497,158</u>	<u>\$ 497,158</u>

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 7 - Deferred Charges

This classification includes the following accounts:

Prepaid insurance	\$ 2,531
Prepaid expenses	<u>4,126</u>
Total	<u>\$ 6,657</u>

Note 8 - Fixed Assets

Balance as of December 31, 2011	\$ 2,831,651
Balance as of December 31, 2010	<u>2,986,105</u>
Net Increase (Decrease)	<u>\$ -154,454</u>

Reconciliation

Additions	\$ 43,395
Disposed	-859
Current year depreciation expense	<u>-196,990</u> *
Net Increase (Decrease)	<u>\$ -154,454</u>

Analysis

	<u>01/01/2011 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>12/31/2011 Balance</u>
Land	\$ 609,137	\$ 0	\$ 0	\$ 609,137
Buildings	4,313,866	131,326	0	4,445,192
Equipment and furniture	343,556	28,066	2,535	369,087
Leasehold improvements	164,906	0	0	164,906
Construction in progress	<u>117,159</u>	<u>0</u>	<u>115,997</u>	<u>1,162</u>
Total	\$ 5,548,624	\$ 159,392	\$ 118,532	\$ 5,589,484
Accumulated depreciation	<u>-2,562,519</u>	<u>1,676</u>	<u>196,990</u> *	<u>-2,757,833</u>
Total	<u>\$ 2,986,105</u>	<u>\$ 161,068</u>	<u>\$ 315,522</u>	<u>\$ 2,831,651</u>

*Current year depreciation expense recognized.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 9 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 129
Tenants security deposits	<u>31,645</u>
Subtotal	\$ 31,774
Interfund	<u>9,987</u>
Total	<u><u>\$ 41,761</u></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:

Current Portion:

Payment in lieu of taxes	<u>\$ 23,937</u>
--------------------------	------------------

Note 12 - Summary of Long Term Liabilities

A summary of long term liabilities as of December 31, 2012:

	01/01/2011			12/31/2011
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Accrued compensated absences	<u>\$ 38,089</u>	<u>\$ 0</u>	<u>\$ 18,807</u>	<u>\$ 19,282</u>

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2011
(CONTINUED)**

Note 13 - Deferred Revenue

This classification consists of the following:

Subsidy deferred	\$ 25,355
Prepaid rents	<u>8</u>
Total	<u>\$ 25,363</u>

Note 14 - 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 15 - 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.

Note 16 - Contracts/Commitments

As of December 31, 2011, the Housing Authority had entered into the following pending construction projects in progress:

	<u>Funds Approved</u>	<u>Funds Expended To Date</u>
CFP 501-10	<u>\$ 135,975</u>	<u>\$ 37,031</u>

Note 17 - 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 18 - Economic Dependency

The Housing Authority received most of its revenue (66%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

SUPPLEMENTAL DATA

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**SCHEDULE OF EXPENDABLE FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract 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	C-2076	FYE 12/31/11	\$ 120,266	\$ 120,266	\$ 120,266
Capital Funds Program	14.872	C-2076	FYE 12/31/11	\$ 273,802	\$ 51,199	\$ 51,199
Housing Choice Voucher Program*	14.871	C-2076V	FYE 12/31/11	\$ 979,774	\$ 979,774	\$ 979,774
<u>Flow Through</u>						
IHCDA	14.871	N/A	FYE 12/31/11	\$ 255,878	\$ 255,878	\$ 255,878
Total Housing Assistance				<u>\$ 1,629,720</u>	<u>\$ 1,407,117</u>	<u>\$ 1,407,117</u>

*Denotes major program.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P091501-09**

1. The Actual Modernization Costs of Phase IN36P091501-09 are as follows:

Funds approved	\$ 137,827
Funds expended	<u>137,827</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Project notes, non-HUD	\$ 137,827
Funds expended	<u>137,827</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 December 19, 2011, 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.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36S091501-09**

1. The Actual Modernization Costs of Phase IN36S091501-09 are as follows:

Funds approved	\$ 176,381
Funds expended	<u>176,381</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Project notes, non-HUD	\$ 176,381
Funds expended	<u>176,381</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 January 28, 2011, 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.



**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
Peru Housing Authority
Peru, Indiana

I have audited the financial statements of Peru Housing Authority as of and for the year ended December 31, 2011, and have issued my report thereon dated August 23, 2012. 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 Peru Housing Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Peru Housing Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Peru Housing Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

This reported is intended solely for the information 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.

Handwritten signature of Pamela J. Simpson in cursive script.

Certified Public Accountant

Decatur, Illinois
August 23, 2012



Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Commissioners
Peru Housing Authority
Peru, Indiana

Compliance

I have audited the compliance of Peru Housing Authority with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2011. Peru Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Peru Housing Authority's management. My responsibility is to express an opinion on Peru Housing Authority's compliance based on my audit.

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

In my opinion, Peru Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011. However, the results of my auditing procedures disclosed no instances of noncompliance with those requirements.

The management of Peru Housing Authority 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 my audit, I considered Peru Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Peru Housing Authority'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.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, 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
August 23, 2012

**PERU HOUSING AUTHORITY
PERU, INDIANA**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended December 31, 2010 contained no findings.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report: Unqualified

* Material weakness(es) identified? _____ yes X no

* Significant deficiency (ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified? _____ yes X no

* Significant deficiency (ies) identified? _____ yes X none reported

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

_____ yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.871

Housing Choice Voucher Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

X yes _____ no

**PERU HOUSING AUTHORITY
PERU, INDIANA**

CURRENT FINDINGS AND RECOMMENDATIONS

Section II - Financial Statements Findings

There were no audit findings discussed with Shirley Foreman, Executive Director, during the course of the audit or at an exit conference held August 23, 2012.

Section III - Federal Awards Findings

There were no audit findings discussed with Shirley Foreman, Executive Director, during the course of the audit or at an exit conference held August 23, 2012.

**PERU HOUSING AUTHORITY
PERU, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
DECEMBER 31, 2011**

<u>Low Rent</u>	<u>Audit</u> <u>Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting</u> <u>Account Number</u>
(1)				
Prepaid insurance	1211	\$ 1,784.72		1211
Workers compensation	4510.01		\$ 291.63	2810.512
Property insurance	4510.02		1,493.09	2810.512
(To adjust prepaid insurance)				
(2)				
Comp abs expense - admin	4181	\$ 5,840.78		2810.512
Comp abs expense - maintenance	4432	4,327.63		2810.512
Admin wages	4110		\$ 5,840.78	2810.512
Maintenance wages	4410		4,327.63	2810.512
(To reclassify compensated absence expense)				
(3)				
Furniture, equipment - admin	1400.09	\$ 402.00		1400.09
Tenant services	4220		\$ 402.00	2810.512
Depreciation expense	4800	6.70		2802.508
Accumulated depreciation	1400.15		6.70	1400.15
(To reclassify check numbers 15052 and 15132 for purchase of computers)				
(4)				
Depreciation expense	4800		\$ 3,645.10	2802.508
Accumulated depreciation	1400.15	\$ 3,645.10		1400.15
(To correct depreciation expense)				
<u>Voucher</u>				
(1)				
Accounts receivable - HUD	1125	\$ 1,627.00		1125
Revenue - admin fee	3410.01		\$ 1,627.00	2810.002
(To set up accounts receivable for 2011 admin fee reconciliation received in 2012)				
(2)				
Comp abs expense - admin	4181	\$ 6,079.17		2810.002
Comp abs expense - maintenance	4432	88.32		2810.002
Admin wages	4110		\$ 6,079.17	2810.002
Maintenance wages	4410		88.32	2810.002
(To reclassify compensated absence expense)				
<u>State and Local</u>				
(1)				
State HAP	3410.101		\$ 2,937.00	2810.112
State Admin	3410.100		120.00	2810.111
Other deferred revenue - State	2291	\$ 3,057.00		2291
(To correct state reimbursement made 12/29/2011 for December/January HAP)				

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	Project Total	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$144,615	\$30,477	\$6,152	\$181,244		\$181,244
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted			\$281,748	\$281,748		\$281,748
114 Cash - Tenant Security Deposits	\$31,645			\$31,645		\$31,645
115 Cash - Restricted for Payment of Current Liabilities	\$8			\$8		\$8
100 Total Cash	\$176,268	\$30,477	\$287,900	\$494,645	\$0	\$494,645
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects			\$1,627	\$1,627		\$1,627
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous			\$325	\$325		\$325
126 Accounts Receivable - Tenants	\$101			\$101		\$101
126.1 Allowance for Doubtful Accounts - Tenants	\$0			\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery			\$7,714	\$7,714		\$7,714
128.1 Allowance for Doubtful Accounts - Fraud			-\$2,460	-\$2,460		-\$2,460
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$101	\$0	\$7,206	\$7,307	\$0	\$7,307
131 Investments - Unrestricted	\$497,158			\$497,158		\$497,158
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$3,788		\$2,869	\$6,657		\$6,657
143 Inventories	\$2,598		\$551	\$3,149		\$3,149
143.1 Allowance for Obsolete Inventories	\$0		\$0	\$0		\$0
144 Inter Program Due From			\$9,987	\$9,987	-\$9,987	\$0
145 Assets Held for Sale						
150 Total Current Assets	\$679,913	\$30,477	\$308,513	\$1,018,903	-\$9,987	\$1,008,916
161 Land	\$609,137			\$609,137		\$609,137
162 Buildings	\$4,445,192			\$4,445,192		\$4,445,192
163 Furniture, Equipment & Machinery - Dwellings	\$144,607			\$144,607		\$144,607
164 Furniture, Equipment & Machinery - Administration	\$171,347		\$53,133	\$224,480		\$224,480
165 Leasehold Improvements	\$164,906			\$164,906		\$164,906
166 Accumulated Depreciation	-\$2,711,991		-\$45,842	-\$2,757,833		-\$2,757,833
167 Construction in Progress	\$1,162			\$1,162		\$1,162
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,824,360	\$0	\$7,291	\$2,831,651	\$0	\$2,831,651
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$2,824,360	\$0	\$7,291	\$2,831,651	\$0	\$2,831,651
190 Total Assets	\$3,504,273	\$30,477	\$315,804	\$3,850,554	-\$9,987	\$3,840,567

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	Project Total	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$129			\$129		\$129
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion						
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$23,937			\$23,937		\$23,937
341 Tenant Security Deposits	\$31,645			\$31,645		\$31,645
342 Deferred Revenues	\$8	\$25,355		\$25,363		\$25,363
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other						
347 Inter Program - Due To		\$9,987		\$9,987	-\$9,987	\$0
348 Loan Liability - Current						
310 Total Current Liabilities	\$55,719	\$35,342	\$0	\$91,061	-\$9,987	\$81,074
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			\$19,282	\$19,282		\$19,282
354 Accrued Compensated Absences - Non Current						
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	\$0	\$0	\$19,282	\$19,282	\$0	\$19,282
300 Total Liabilities	\$55,719	\$35,342	\$19,282	\$110,343	-\$9,987	\$100,356
508.1 Invested In Capital Assets, Net of Related Debt	\$2,824,360	\$0	\$7,291	\$2,831,651		\$2,831,651
509.2 Fund Balance Reserved						
511.2 Unreserved, Designated Fund Balance						
511.1 Restricted Net Assets	\$0	\$0	\$262,466	\$262,466		\$262,466
512.1 Unrestricted Net Assets	\$624,194	-\$4,865	\$26,765	\$646,094		\$646,094
512.2 Unreserved, Undesignated Fund Balance						
513 Total Equity/Net Assets	\$3,448,554	-\$4,865	\$296,522	\$3,740,211	\$0	\$3,740,211
600 Total Liabilities and Equity/Net Assets	\$3,504,273	\$30,477	\$315,804	\$3,850,554	-\$9,987	\$3,840,567

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	Project Total	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$284,356			\$284,356		\$284,356
70400 Tenant Revenue - Other	\$10,424			\$10,424		\$10,424
70500 Total Tenant Revenue	\$294,780	\$0	\$0	\$294,780	\$0	\$294,780
70600 HUD PHA Operating Grants	\$131,166		\$979,774	\$1,110,940		\$1,110,940
70610 Capital Grants	\$40,299			\$40,299		\$40,299
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue				\$0	\$0	\$0
70800 Other Government Grants		\$255,878		\$255,878		\$255,878
71100 Investment Income - Unrestricted	\$8,783		\$86	\$8,869		\$8,869
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery			\$7,996	\$7,996		\$7,996
71500 Other Revenue	\$3,664	\$12	\$17,775	\$21,451		\$21,451
71600 Gain or Loss on Sale of Capital Assets	-\$740		-\$119	-\$859		-\$859
72000 Investment Income - Restricted			\$236	\$236		\$236
70000 Total Revenue	\$477,952	\$255,890	\$1,005,748	\$1,739,590	\$0	\$1,739,590
91100 Administrative Salaries	\$80,253	\$15,438	\$63,184	\$158,875		\$158,875
91200 Auditing Fees	\$3,188	\$200	\$1,200	\$4,588		\$4,588
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing	\$54			\$54		\$54
91500 Employee Benefit contributions - Administrative	\$38,393		\$49,340	\$87,733		\$87,733
91600 Office Expenses	\$12,873	\$2,001	\$6,615	\$21,489		\$21,489
91700 Legal Expense						
91800 Travel			\$94	\$94		\$94
91810 Allocated Overhead						
91900 Other	\$8,864	\$1,169	\$6,791	\$16,824		\$16,824
91000 Total Operating - Administrative	\$143,625	\$18,808	\$127,224	\$289,657	\$0	\$289,657
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$2,121			\$2,121		\$2,121
92500 Total Tenant Services	\$2,121	\$0	\$0	\$2,121	\$0	\$2,121

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	Project Total	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
93100 Water	\$3,029			\$3,029		\$3,029
93200 Electricity	\$23,083			\$23,083		\$23,083
93300 Gas						
93400 Fuel						
93500 Labor						
93600 Sewer	\$15,769			\$15,769		\$15,769
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense	\$3,100			\$3,100		\$3,100
93000 Total Utilities	\$44,981	\$0	\$0	\$44,981	\$0	\$44,981
94100 Ordinary Maintenance and Operations - Labor	\$84,053		\$1,812	\$85,865		\$85,865
94200 Ordinary Maintenance and Operations - Materials and Other	\$14,386	\$1,092		\$15,478		\$15,478
94300 Ordinary Maintenance and Operations Contracts	\$13,360			\$13,360		\$13,360
94500 Employee Benefit Contributions - Ordinary Maintenance	\$39,333		\$1,162	\$40,495		\$40,495
94000 Total Maintenance	\$151,132	\$1,092	\$2,974	\$155,198	\$0	\$155,198
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$16,445			\$16,445		\$16,445
96120 Liability Insurance	\$7,440			\$7,440		\$7,440
96130 Workmen's Compensation	\$2,936		\$1,094	\$4,030		\$4,030
96140 All Other Insurance	\$7,230	\$41	\$1,488	\$8,759		\$8,759
96100 Total Insurance Premiums	\$34,051	\$41	\$2,582	\$36,674	\$0	\$36,674
96200 Other General Expenses	\$50		\$372	\$422		\$422
96210 Compensated Absences	\$10,168		\$6,167	\$16,335		\$16,335
96300 Payments in Lieu of Taxes	\$23,937			\$23,937		\$23,937
96400 Bad debt - Tenant Rents	\$129		\$1,242	\$1,371		\$1,371
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$34,284	\$0	\$7,781	\$42,065	\$0	\$42,065
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$410,194	\$19,941	\$140,561	\$570,696	\$0	\$570,696
97000 Excess of Operating Revenue over Operating Expenses	\$67,758	\$235,949	\$865,187	\$1,168,894	\$0	\$1,168,894

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	Project Total	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$1,265			\$1,265		\$1,265
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		\$233,189	\$755,986	\$989,175		\$989,175
97350 HAP Portability-In						
97400 Depreciation Expense	\$192,405		\$4,585	\$196,990		\$196,990
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$603,864	\$253,130	\$901,132	\$1,758,126	\$0	\$1,758,126
10010 Operating Transfer In	\$500			\$500	-\$500	\$0
10020 Operating transfer Out	-\$500			-\$500	\$500	\$0
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$125,912	\$2,760	\$104,616	-\$18,536	\$0	-\$18,536
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$3,574,466	-\$7,625	\$191,906	\$3,758,747		\$3,758,747
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0			\$0		\$0
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity			\$34,056	\$34,056		\$34,056
11180 Housing Assistance Payments Equity			\$262,466	\$262,466		\$262,466
11190 Unit Months Available	1236	600	2544	4380		4380
11210 Number of Unit Months Leased	1224	531	2351	4106		4106
11270 Excess Cash	\$584,492			\$584,492		\$584,492
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases	\$15,330			\$15,330		\$15,330
11630 Furniture & Equipment - Dwelling Purchases	\$24,969			\$24,969		\$24,969
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0		\$0
11650 Leasehold Improvements Purchases	\$0			\$0		\$0
11660 Infrastructure Purchases	\$0			\$0		\$0
13510 CFFP Debt Service Payments	\$0			\$0		\$0
13901 Replacement Housing Factor Funds	\$0			\$0		\$0