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May 14, 2009

Board of Commissioners  
Housing Authority of the  
City of Rockport  
P.O. Box 173  
Rockport, IN 47635

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period October 1, 2005 to September 30, 2006. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Rockport, as of September 30, 2006, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

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

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**TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

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

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# PAMELA J. SIMPSON, C.P.A.

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(217) 872-1908

## Independent Auditor's Report

Board of Directors  
Housing Authority of the City of Rockport  
Rockport, Indiana

I have audited the accompanying basic financial statements of Housing Authority of the City of Rockport, as of and for the year ended September 30, 2006, as listed in the table of contents. These basic 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 basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Housing Authority of the City of Rockport, as of September 30, 2006 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 May 8, 2007, on my consideration of the Authority's internal control over financial reporting and my 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.

The Management's Discussion and Analysis on pages 3 through 7 are not a required part of the basic financial statements but is supplementary information required by the 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 performed for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Rockport, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, and is not a required part of the basic financial statements of the Authority. 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 Rockport. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Decatur, Illinois  
May 8, 2007

  
Certified Public Accountant

**HOUSING AUTHORITY OF ROCKPORT  
REQUIRED SUPPLEMENTAL INFORMATION  
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

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**SEPTEMBER 30, 2006**

The management of the Housing Authority of Rockport presents the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ending 09/30/2006. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's audited financial statements, which follows.

**FINANCIAL HIGHLIGHTS**

- The Housing Authority's assets exceeded its liabilities by \$1,559,443 at the close of the fiscal year ended 09/30/2006.

Of this amount, \$548,738 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount equals 68% of the total operating expenses for the fiscal year 2006, which means the Authority could operate about 8 months using the unrestricted assets alone.

The remainder of \$1,010,705 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.

- The Housing Authority's total net assets decreased slightly by \$(927), a (1) % change from the prior fiscal year 2005.
- The Authority spent \$322,236 on capital assets additions and renovation construction in progress during the current fiscal year.
- The Housing Authority continues to operate without the need for debt borrowing.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed.

**HOUSING AUTHORITY OF ROCKPORT  
REQUIRED SUPPLEMENTAL INFORMATION  
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

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**SEPTEMBER 30, 2006**

**REPORTING ON THE HOUSING AUTHORITY AS A WHOLE**

One of the most important questions asked about the Authority's finances is, "is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2006?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For reporting purposes all housing funds are reported in one housing enterprise fund.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

**USING THIS ANNUAL REPORT**

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant two funds, the Low Rent Housing Program and Public Housing Capital Fund Program.

The Housing Authority's auditors provided assurance in their independent auditors' report, located immediately following the MD&A, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of the report.

**HOUSING AUTHORITY OF ROCKPORT  
REQUIRED SUPPLEMENTAL INFORMATION  
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

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**SEPTEMBER 30, 2006**

**REPORTING THE HOUSING AUTHORITY'S MOST SIGNIFICANT FUNDS**

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach or Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$1,559,443 as of September 30, 2006. Of this amount, \$1,010,705 was invested in capital assets, and the remaining \$548,738 was unrestricted. No other assets are currently restricted.

**CONDENSED FINANCIAL STATEMENTS COMPARING  
FYE 9/30/2005 WITH FYE 9/30/2006**

	Condensed Balance Sheet	
	As of 09/30/2005	As of 09/30/2006
<b>ASSETS</b>		
Current Assets	\$ 932,648	593,987
Capital Assets, Net of Depreciation	858,289	1,010,705
Total Assets	1,790,937	1,604,692
<b>LIABILITIES</b>		
Current Liabilities	230,567	39,544
Non-Current Liabilities	0	5,705
Total Liabilities	230,567	45,249
<b>NET ASSETS</b>		
Invested in Capital Assets	858,289	1,010,705
Unrestricted	702,081	548,738
Total Net Assets	1,560,370	1,559,443
Total Liabilities and net Assets	1,790,937	1,604,692

**HOUSING AUTHORITY OF ROCKPORT  
REQUIRED SUPPLEMENTAL INFORMATION  
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**SEPTEMBER 30, 2006**

**CONDENSED FINANCIAL STATEMENTS (Continued)**

Condensed Statement of Revenues, Expenses,  
and Changes in Fund Net Assets  
Fiscal Year Ended September 30, 2006

	FYE 09/30/2005	FYE 09/30/2006
<b>OPERATING REVENUES</b>		
Rental Revenues	\$ 245,760	265,954
Other Tenant Revenue	3,156	9,465
Total Operating Revenues	248,916	275,419
<b>OPERATING EXPENSES</b>		
Administration	124,264	144,147
Tenant Services	6,062	7,553
Utilities	124,314	135,996
Ordinary maint. and operations	216,215	280,788
General and Other	61,362	61,078
Depreciation	140,506	169,820
Total Operating Expenses	672,723	799,382
Gain (loss) from operations	(423,807)	(523,963)
<b>NON-OPERATING REVENUES</b>		
Federal Grants – Operating	364,873	239,817
Federal Grants – Capital	117,054	234,257
Interest Income and Other Revenue	46,606	48,962
Total Non-Operating Revenue	528,533	523,036
NET INCREASE (DECREASE) IN NET ASSETS	104,726	(927)
NET ASSETS, Beginning of Year	1,455,644	1,560,370
NET ASSETS, End of Year	1,560,370	1,559,443

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**HOUSING AUTHORITY OF ROCKPORT  
REQUIRED SUPPLEMENTAL INFORMATION  
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**SEPTEMBER 30, 2006**

The decrease in net assets of these funds was accompanied by a decrease in unrestricted cash by \$(71,933) from fiscal year 2005.

Compared with the prior fiscal year, total tenant revenues increased \$26,503, or by 11% due to an increase in rental revenues.

- Interest income and other revenues increased from 2005.

Compared with the prior fiscal year, total expenses increased, by \$126,659, with the most significant causes listed below:

- Ordinary maintenance increased by \$63,126.
- Depreciation Expense increased by \$ 29,314 over the prior year.

These changes led to an decrease in total assets by \$(186,245) and a decrease in liabilities by \$(185,318). With these changes, there is still over \$12 of current assets covering each dollar of liability.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for September 30, 2006 fiscal year has already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

#### **CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability or the money it receives. If you have questions about this report, or wish to request additional financial information, contact Donna Eberle, Executive Director, Rockport Housing Authority, Box 173, Rockport, IN 47635.

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

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
AS OF SEPTEMBER 30, 2006**

**ASSETS**

CURRENT ASSETS

Cash	\$ 430,665
Accounts receivable (interfund eliminated)	3,875
Investments	118,846
Inventory	16,534
Deferred charges	<u>24,067</u>

Total Current Assets \$ 593,987

CAPITAL ASSETS

Land, buildings and equipment	\$ 4,086,487
Less: Accumulated depreciation	<u>-3,075,782</u>

Total Capital Assets \$ 1,010,705

Total Assets \$ 1,604,692

**LIABILITIES**

CURRENT LIABILITIES

Accounts payable (interfund eliminated)	\$ 20,456
Accrued liabilities	17,733
Deferred revenue	<u>1,355</u>

Total Current Liabilities \$ 39,544

NONCURRENT LIABILITIES

Accrued compensated absences	<u>\$ 5,705</u>
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Total Noncurrent Liabilities \$ 5,705

**NET ASSETS**

Invested in capital assets	\$ 1,010,705
Unrestricted	<u>548,738</u>

Total Net Assets \$ 1,559,443

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

**STATEMENT OF REVENUE AND EXPENDITURES - PROPRIETARY FUNDS  
AND CHANGES IN NET ASSETS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

Operating Income

Tenant rental revenue	\$ 265,954
Tenant revenue - other	<u>9,465</u>
Total Rental Income	\$ 275,419
HUD grants - operating	239,817
Other income	<u>29,113</u>
Total Operating Income	<u>\$ 544,349</u>

Operating Expenses

Administration	\$ 144,147
Tenant services	7,553
Utilities	135,996
Ordinary maintenance and operation	176,822
General expense	61,078
Extraordinary maintenance	103,966
Depreciation	<u>169,820</u>
Total Operating Expenses	<u>\$ 799,382</u>
Net Operating Income (Loss)	<u>\$ -255,033</u>

Nonoperating Income (Expense)

HUD grants - capital	\$ 234,257
Interest income	<u>19,849</u>
Total Nonoperating Income (Expense)	<u>\$ 254,106</u>
Changes in net assets	\$ -927
Net assets, beginning of year	<u>1,560,370</u>
Net assets, end of year	<u>\$ 1,559,443</u>

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

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

Operating Activities

Operating grants	\$ 311,040
Tenant revenue	276,927
Other revenue	29,113
Payments to employees	-200,841
Payments to suppliers and contractors	<u>-414,334</u>

Net Cash Provided (Used) by Operating Activities \$ 1,905

Investing Activities

Investments (purchased) redeemed	\$ -3,922
Interest income	<u>19,849</u>

Net Cash Provided (Used) by Investing Activities \$ 15,927

Capital and Related Financing Activities

HUD grants - capital	\$ 234,257
Additions to fixed assets	<u>-322,236</u>

Net Cash Provided (Used) by  
Capital and Related Financing Activities \$ -87,979

Net Change in Cash \$ -70,147

Cash Balance at September 30, 2005 500,812

Cash Balance at September 30, 2006 \$ 430,665

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

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

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

Net operating income (loss)	\$ -255,033
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	169,820
(Increase) decrease in accounts receivable	263,841
(Increase) decrease in deferred charges	7,579
(Increase) decrease in inventories	1,016
Increase (decrease) in accounts payable	-128,515
Increase (decrease) in accrued liabilities	4,556
Increase (decrease) in deferred revenues	<u>-61,359</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,905</u>

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

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Housing Authority of the City of Rockport was established by the City of Rockport 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 Rockport and concluded that the City does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the City, 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. 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 Rockport 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.

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

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(c) 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
- \* Capital Fund Program

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.

(d) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Housing Authority considers 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.

(e) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at September 30, 2006, 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.

(f) Inventories and Materials -

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

(g) Investments -

Investments are stated at cost which approximates market.

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

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(h) 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 one thousand dollars (\$1,000) 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	25	years
Equipment	3	years
Transportation equipment	7	years
Furniture and fixtures	3	years
Leasehold improvements	10	years

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

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(i) Income Tax -

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

(j) 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.

(k) 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.

(l) 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.

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 \$100,000 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 ROCKPORT  
ROCKPORT, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

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 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.

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

<u>Fund</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Low Rent	\$ <u>430,665</u>	\$ <u>452,495</u>

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

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

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>Fund</u>	<u>Book Balance</u>	<u>Market Value</u>
Low Rent	<u>\$ 118,846</u>	<u>\$ 118,846</u>

Note 3 - Compensated Absences

Annual Leave

Annual leave with pay shall be earned by all full time employees at the rate of five-sixths (5/6) day per month. Annual leave may be accumulated by an employee, not to exceed 28 days. An employee who is permanently separated shall be paid for any accumulated annual leave, not to exceed 28 days, provided he/she gives a two week notice to the Executive Director if he/she decides to terminate his/her employment. If he/she fails to give a two week notice he/she forfeits his/her vacation pay. In no event shall an employee be paid for annual leave not taken.

Sick Leave

All full time employees may be paid for absences from work because of self-illness at the rate of one day per calendar month. Sick leave may be accumulated not to exceed 12 days per year. Accumulated sick pay is accumulated beginning the first of the year. Prior year accumulated sick leave is rolled over the end of each calendar year and accumulated to no more than 30 days. In no event shall an employee be paid for sick leave not taken.

Note 4 - Defined Contribution Plan

The PHA participates in a defined contribution plan. The Housing Authority and the participants are required to contribute 5.75% and 3% of annual covered payroll, respectively. For the fiscal year ended September 30, 2006, actual contributions by the Housing Authority and plan participants were \$6,751 and \$3,562, respectively.

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

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)**

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

Tenants accounts receivable	\$ 4,809
Allowance for doubtful accounts	<u>-934</u>
Total	<u>\$ 3,875</u>

Note 6 - Investments

At September 30, 2006 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificate of deposits	4.51%	<u>\$ 118,846</u>	<u>\$ 118,846</u>

Note 7 - Deferred Charges

This classification includes the following accounts:

Prepaid insurance	<u>\$ 24,067</u>
-------------------	------------------

Note 8 - Fixed Assets

Balance as of September 30, 2006	\$ 1,010,705
Balance as of September 30, 2005	<u>858,289</u>
Net Increase (Decrease)	<u>\$ 152,416</u>

Reconciliation

Replacement of nonexpendable equipment	\$ 16,231
Property betterments and additions	306,005
Current year depreciation expense	<u>-169,820</u>
Net Increase (Decrease)	<u>\$ 152,416</u>

<u>Analysis</u>	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Land	\$ 164,342	\$ 0	\$ 0	\$ 164,342
Buildings	3,476,603	306,005	0	3,782,608
Equipment and furniture	<u>123,306</u>	<u>16,231</u>	<u>0</u>	<u>139,537</u>
Total	\$ 3,764,251	\$ 322,236	\$ 0	\$ 4,086,487
Accumulated depreciation	<u>-2,905,962</u>	<u>0</u>	<u>169,820</u>	<u>-3,075,782</u>
Net Assets	<u>\$ 858,289</u>	<u>\$ 322,236</u>	<u>\$ 169,820</u>	<u>\$ 1,010,705</u>

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

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)**

Note 9 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 8,763
Tenants security deposits	<u>11,693</u>
Subtotal	<u>\$ 20,456</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:	
Accrued compensated absences	\$ 2,088
Accrued wages	1,642
Payment in lieu of taxes	<u>14,003</u>
Total Current Portion	\$ 17,733
Noncurrent Portion:	
Accrued compensated absences	<u>5,705</u>
Total	<u>\$ 23,438</u>

Note 12 - Deferred Revenue

This classification consists of the following accounts:

Tenants prepaid rent	<u>\$ 1,355</u>
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HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
(CONTINUED)

Note 13 - 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 14 - 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 15 - Economic Dependency

The Housing Authority received most of its revenue (59%) 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 ROCKPORT  
ROCKPORT, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

<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	14.850	C-748	FYE 09/30/06	\$ <u>233,603</u>	\$ <u>233,603</u>	\$ <u>233,603</u>
Public Housing - Capital Fund	14.872	C-748	FYE 09/30/06	\$ <u>542,200</u>	\$ <u>240,471</u>	\$ <u>240,471</u>
Total Housing Assistance				\$ <u>775,803</u>	\$ <u>474,074</u>	\$ <u>474,074</u>

\*Denotes major program.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

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

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

**STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 30, 2006**

<u>ASSETS</u>	<u>Low Rent</u>	<u>Capital Funds</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 430,665	\$ 0
Accounts receivable	3,875	0
Investments	118,846	0
Inventory	16,534	0
Deferred charges	<u>24,067</u>	<u>0</u>
Total Current Assets	<u>\$ 593,987</u>	<u>\$ 0</u>
<b>CAPITAL ASSETS</b>		
Land, buildings and equipment	\$ 3,735,176	\$ 351,311
Less: Accumulated depreciation	<u>-3,017,733</u>	<u>-58,049</u>
Net Capital Assets	<u>\$ 717,443</u>	<u>\$ 293,262</u>
Total Assets	<u>\$ 1,311,430</u>	<u>\$ 293,262</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 20,456	\$ 0
Accrued liabilities	17,733	0
Deferred revenue	<u>1,355</u>	<u>0</u>
Total Current Liabilities	<u>\$ 39,544</u>	<u>\$ 0</u>
<b>NONCURRENT LIABILITIES</b>		
Accrued compensated absences	<u>\$ 5,705</u>	<u>\$ 0</u>
Total Noncurrent Liabilities	<u>\$ 5,705</u>	<u>\$ 0</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets	\$ 717,443	\$ 293,262
Unrestricted	<u>548,738</u>	<u>0</u>
Total Net Assets	<u>\$ 1,266,181</u>	<u>\$ 293,262</u>

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

**STATEMENT OF REVENUE AND EXPENDITURES  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

<u>Operating Income</u>	<u>Low Rent</u>	<u>Capital Funds</u>
Tenant rental revenue	\$ 265,954	\$ 0
Tenant revenue - other	<u>9,465</u>	<u>0</u>
Total Rental Revenue	\$ 275,419	\$ 0
HUD grants - operating	233,603	6,214
Other revenue	<u>29,113</u>	<u>0</u>
Total Operating Income	<u>\$ 538,135</u>	<u>\$ 6,214</u>
 <u>Operating Expenses</u>		
Administration	\$ 144,147	\$ 0
Tenant services	7,553	0
Utilities	135,996	0
Ordinary maintenance and operation	176,822	0
General expense	61,078	0
Extraordinary maintenance	97,752	6,214
Depreciation	<u>129,312</u>	<u>40,508</u>
Total Operating Expenses	<u>\$ 752,660</u>	<u>\$ 46,722</u>
Net Operating Income (Loss)	<u>\$ -214,525</u>	<u>\$ -40,508</u>
 <u>Nonoperating Income (Expense)</u>		
HUD grants - capital	\$ 0	\$ 234,257
Interest income	<u>19,849</u>	<u>0</u>
Total Nonoperating Income (Expense)	<u>\$ 19,849</u>	<u>\$ 234,257</u>
Changes in Net Assets	<u>\$ -194,676</u>	<u>\$ 193,749</u>

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

**STATEMENT OF CHANGES IN NET ASSETS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

<u>Invested in Capital Assets</u>	<u>Low Rent</u>	<u>Capital Funds</u>
Balance at September 30, 2005	\$ 758,776	\$ 99,513
Current year net income (loss)	<u>-41,333</u>	<u>193,749</u>
Balance at September 30, 2006	<u>\$ 717,443</u>	<u>\$ 293,262</u>
 <u>Unrestricted Net Assets</u>		
Balance at September 30, 2005	\$ 702,081	\$ 0
Current year net income (loss)	<u>-153,343</u>	<u>0</u>
Balance at September 30, 2006	<u>\$ 548,738</u>	<u>\$ 0</u>
Total Net Assets	<u>\$ 1,266,181</u>	<u>\$ 293,262</u>

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

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

<u>Operating Activities</u>	<u>Low Rent</u>	<u>Capital Funds</u>
Operating grants	\$ 173,022	\$ 138,018
Tenant revenue	276,927	0
Other revenue	29,113	0
Payments to employees	-200,841	0
Payments to suppliers and contractors	<u>-276,316</u>	<u>-138,018</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 1,905</u>	 <u>\$ 0</u>
 <u>Investing Activities</u>		
Investments (purchased) redeemed	\$ -3,922	\$ 0
Interest income	<u>19,849</u>	<u>0</u>
 Net Cash Provided (Used) by Investing Activities	 <u>\$ 15,927</u>	 <u>\$ 0</u>
 <u>Capital and Related Financing Activities</u>		
HUD grants - capital	\$ 0	\$ 234,257
Additions of fixed assets	<u>-87,979</u>	<u>-234,257</u>
 Net Cash Provided (Used) by Capital and Related Financing Activities	 <u>\$ -87,979</u>	 <u>\$ 0</u>
 Net Change in Cash	 <u>\$ -70,147</u>	 <u>\$ 0</u>
Cash Balance at September 30, 2005	<u>500,812</u>	<u>0</u>
Cash Balance at September 30, 2006	<u><u>\$ 430,665</u></u>	<u><u>\$ 0</u></u>

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

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006**

<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>	<u>Low Rent</u>	<u>Capital Funds</u>
Net operating income (loss)	\$ -214,525	\$ -40,508
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:		
Depreciation	129,312	40,508
(Increase) decrease in accounts receivable	132,037	131,804
(Increase) decrease in deferred charges	7,579	0
(Increase) decrease in inventories	1,016	0
Increase (decrease) in accounts payable	3,289	-131,804
Increase (decrease) in accrued liabilities	4,556	0
Increase (decrease) in deferred revenues	<u>-61,359</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,905</u>	<u>\$ 0</u>

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

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
PHASE IN36P024501-03**

1. The Actual Modernization Costs of Phase IN36P024501-03 are as follows:

Funds approved	\$ 168,771
Funds expended	<u>168,771</u>
Excess of Funds Approved	<u>\$ 0</u>
Funds advanced	
Project notes, non-HUD	\$ 168,771
Funds expended	<u>168,771</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated April 25, 2006, 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.

433 WEST PERSHING ROAD  
DECATUR, ILLINOIS 62526  
(217) 872-1908

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

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

I have audited the financial statements of Housing Authority of the City of Rockport as of and for the year ended September 30, 2006, and have issued my report thereon dated May 8, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Housing Authority of the City of Rockport's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Housing Authority of the City of Rockport's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of management, the Board of Commissioners and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Decatur, Illinois  
May 8, 2007

  
Certified Public Accountant

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**Summary of Auditor's Results**

Low Risk Auditee X \_\_\_\_\_ yes \_\_\_\_\_ no

*Financial Statements*

Type of auditor's report: Unqualified

- \* Material weakness(es) identified? \_\_\_\_\_ yes X no  
 \* Reportable condition(s) identified that are not  
 considered to be material weaknesses? \_\_\_\_\_ yes X none  
 reported

Noncompliance material to financial statements noted \_\_\_\_\_ yes X no

*Federal Awards*

Internal control over major programs:

- \* Material weakness(es) identified? \_\_\_\_\_ yes X no  
 \* Reportable condition(s) identified that are not  
 considered to be material weaknesses? \_\_\_\_\_ yes X none  
 reported

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

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

Major Programs: (Threshold \$300,000) CFDA Number(s)

NONE

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

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended September 30, 2005 contained no findings.

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

**CURRENT FINDINGS AND RECOMMENDATIONS**

There were no audit findings discussed with Donna Eberle, Executive Director, during the course of the audit or at an exit conference held May 8, 2007.

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

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES  
SEPTEMBER 30, 2006**

<u>Low Rent</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Tenants accounts receivable	1122	\$ 1,370.30		1122
Prepaid rent	2240		\$ 1,355.30	2240
Collection losses	4570		15.00	2820
(To adjust TAR and prepaid to analysis - to variance of \$15 due to account 78E omitted from aged report @ 09/30/06)				
(2)				
Collection losses	4570	\$ 313.00		2820
Allowance for doubtful accounts	1157		\$ 313.00	1157
(To adjust allowance account to amount of 09/30/06 receivable subsequently written off 01/07)				
(3)				
Accounts payable	2111	\$ 3,261.98		2111
Accounting/auditing	4170		\$ 3,770.00	2820
Extraordinary maintenance	4610	508.02		2820
(To adjust accounts payable to correct balance per analysis of subsequently paid bills and contracts)				
(4)				
Administrative salaries	4110	\$ 702.92		2820
Maintenance wages	4410	939.08		2820
Accrued wages	2135		\$ 1,642.00	2135
(To accrue wages paid 09/29/06 and 09/30/06, paid 10/06/06)				

## PHA: IN024 FYED: 09/30/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$418,972	\$0	\$418,972
114	Cash - Tenant Security Deposits	\$11,693	\$0	\$11,693
100	Total Cash	\$430,665	\$0	\$430,665
126	Accounts Receivable - Tenants - Dwelling Rents	\$4,809	\$0	\$4,809
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-934	\$0	\$-934
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$3,875	\$0	\$3,875
131	Investments - Unrestricted	\$118,846	\$0	\$118,846
142	Prepaid Expenses and Other Assets	\$24,067	\$0	\$24,067
143	Inventories	\$16,534	\$0	\$16,534
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0
150	Total Current Assets	\$593,987	\$0	\$593,987
161	Land	\$164,342	\$0	\$164,342
162	Buildings	\$3,476,897	\$305,711	\$3,782,608
164	Furniture, Equipment & Machinery - Administration	\$93,937	\$45,600	\$139,537
165	Leasehold Improvements	\$0	\$0	\$0
166	Accumulated Depreciation	\$-3,017,733	\$-58,049	\$-3,075,782
160	Total Fixed Assets, Net of Accumulated Depreciation	\$717,443	\$293,262	\$1,010,705
180	Total Non-Current Assets	\$717,443	\$293,262	\$1,010,705
190	Total Assets	\$1,311,430	\$293,262	\$1,604,692

PHA: IN024 FYED: 09/30/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$8,763	\$0	\$8,763
321	Accrued Wage/Payroll Taxes Payable	\$1,642	\$0	\$1,642
322	Accrued Compensated Absences - Current Portion	\$2,088	\$0	\$2,088
333	Accounts Payable - Other Government	\$14,003	\$0	\$14,003
341	Tenant Security Deposits	\$11,693	\$0	\$11,693
342	Deferred Revenues	\$1,355	\$0	\$1,355
310	Total Current Liabilities	\$39,544	\$0	\$39,544
354	Accrued Compensated Absences - Non Current	\$5,705	\$0	\$5,705
350	Total Noncurrent Liabilities	\$5,705	\$0	\$5,705
300	Total Liabilities	\$45,249	\$0	\$45,249
508	Total Contributed Capital	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$717,443	\$293,262	\$1,010,705
511	Total Reserved Fund Balance	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$548,738	\$0	\$548,738
513	Total Equity/Net Assets	\$1,266,181	\$293,262	\$1,559,443
600	Total Liabilities and Equity/Net Assets	\$1,311,430	\$293,262	\$1,604,692

## PHA: IN024 FYED: 09/30/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$265,954	\$0	\$265,954
704	Tenant Revenue - Other	\$9,465	\$0	\$9,465
705	Total Tenant Revenue	\$275,419	\$0	\$275,419
706	HUD PHA Operating Grants	\$233,603	\$6,214	\$239,817
706.1	Capital Grants	\$0	\$234,257	\$234,257
711	Investment Income - Unrestricted	\$19,849	\$0	\$19,849
715	Other Revenue	\$29,113	\$0	\$29,113
700	Total Revenue	\$557,984	\$240,471	\$798,455

## PHA: IN024 FYED: 09/30/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$87,171	\$0	\$87,171
912	Auditing Fees	\$2,880	\$0	\$2,880
914	Compensated Absences	\$2,088	\$0	\$2,088
915	Employee Benefit Contributions - Administrative	\$12,995	\$0	\$12,995
916	Other Operating - Administrative	\$39,013	\$0	\$39,013
921	Tenant Services - Salaries	\$1,055	\$0	\$1,055
924	Tenant Services - Other	\$6,498	\$0	\$6,498
931	Water	\$22,430	\$0	\$22,430
932	Electricity	\$48,321	\$0	\$48,321
933	Gas	\$46,673	\$0	\$46,673
938	Other Utilities Expense	\$18,572	\$0	\$18,572
941	Ordinary Maintenance and Operations - Labor	\$114,257	\$0	\$114,257
942	Ordinary Maintenance and Operations - Materials and Other	\$28,826	\$0	\$28,826
943	Ordinary Maintenance and Operations - Contract Costs	\$17,200	\$0	\$17,200
945	Employee Benefit Contributions - Ordinary Maintenance	\$16,539	\$0	\$16,539
961	Insurance Premiums	\$43,166	\$0	\$43,166
963	Payments in Lieu of Taxes	\$14,003	\$0	\$14,003
964	Bad Debt - Tenant Rents	\$3,909	\$0	\$3,909
969	Total Operating Expenses	\$525,596	\$0	\$525,596
970	Excess Operating Revenue over Operating Expenses	\$32,388	\$240,471	\$272,859
971	Extraordinary Maintenance	\$97,752	\$6,214	\$103,966
974	Depreciation Expense	\$129,312	\$40,508	\$169,820
900	Total Expenses	\$752,660	\$46,722	\$799,382
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-194,676	\$193,749	\$-927

PHA: IN024 FYED: 09/30/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0
1103	Beginning Equity	\$1,460,857	\$99,513	\$1,560,370
1120	Unit Months Available	1,728	0	1,728
1121	Number of Unit Months Leased	1,641	0	1,641

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