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May 18, 2009

Board of Commissioners
Washington Housing Authority
Sunset Tower, 520 SE 2nd Street
Washington, IN 47501

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period January 1, 2006 to December 31, 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 Washington Housing Authority, as of December 31, 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.

STATE BOARD OF ACCOUNTS

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

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

TWELVE MONTHS ENDED DECEMBER 31, 2006

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

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PAMELA J. SIMPSON, C.P.A.

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Independent Auditor's Report

Board of Directors
Washington Housing Authority
Washington, Indiana

I have audited the accompanying financial statements of Washington Housing Authority, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Washington Housing Authority, as of December 31, 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 August 2, 2007, on my consideration of the Washington Housing Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9, are not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

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

Decatur, Illinois
August 2, 2007


Certified Public Accountant

Washington Housing Authority Management's Discussion and Analysis For the Year Ended December 31, 2006

Introduction

This Management's Discussion and Analysis (MD&A) of the Washington Housing Authority (Authority) provides an introduction and overview to the financial statements of the Washington Housing Authority for the fiscal year ended December 31, 2006. The Washington Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2006, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Washington Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's basic financial statements and related notes to the financial statements.

The Authority has two individual programs. They include the Low Rent Public Housing Program and the Capital Fund Program. The Low Rent Program consists of 190 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. The Capital Fund Program is also a formula based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's basic financial statements. The basic financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Assets
- The Statement of Revenues, Expense, and Changes in Net Assets
- The Statement of Cash Flows

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***Washington Housing Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2006***

The **Statement of Net Assets** presents information on the assets and liabilities, with the differences between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Assets is comprised of three individual components:

- *Investment in Capital Assets, Net of Related Debt* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets
- *Restricted Net Assets* consists of assets that are restricted by limitations placed on these assets by an external source or party.
- *Unrestricted Net Assets* consists of net assets that do not meet the definition of the above categories. Unrestricted net assets are basically the amount of funds available for future year appropriations.

The **Statement of Revenues, Expenses, and Changes in Net Assets** reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2006 to determine the change in net assets for the fiscal year.

The **Statement of Cash Flows** report cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2006.

Financial Highlights

- The Washington Housing Authority's total net assets decreased from \$2,565,444 to \$2,494,592 a decrease of \$70,852 or 3%. The total assets decreased by \$80,564 or 4%.
- The unrestricted net asset balance is listed as \$1,432,517 at December 31, 2006. This represents an increase of \$49,452, or 4% from the previous year.
- Total Revenues decreased from \$924,112 to \$953,404, an increase of \$29,292 or 4%.
- Total expenses increased by \$1,527 from \$1,022,729 to \$1,024,256 for the current year. This represents an increase of 1%.

Washington Housing Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2006

Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2006 and December 31, 2005.

Summary Statement of Net Assets

Category	FYE 2006	FYE 2005	Change \$	Change %
Current Assets	\$ 1,506,783	\$ 1,474,691	\$ 32,092	2%
Fixed Assets (Net of Depreciation)	\$ 1,062,075	\$ 1,182,379	\$ (120,304)	-10%
Total Assets	\$ 2,568,858	\$ 2,657,070	\$ (88,212)	-3%
Current Liabilities	\$ 70,769	\$ 82,276	\$ (11,507)	-14%
Long Term Liabilities	\$ 3,497	\$ 9,350	\$ (5,853)	-63%
Total Liabilities	\$ 74,266	\$ 91,626	\$ (17,360)	-19%
Unrestricted Net Assets	\$ 1,432,517	\$ 1,383,065	\$ 49,452	4%
Investment in Net Fixed Assets	\$ 1,062,075	\$ 1,182,379	\$ (120,304)	-10%
Total Net Assets	\$ 2,494,592	\$ 2,565,444	\$ (70,852)	-3%

Current Assets

The Authority's current asset balance increased by \$32,092 from the previous year. The principal reason for the increase was due to the maintenance material inventory balance increasing by \$14,841. The increase in the maintenance material inventory was due to the purchase of materials preparing for the REAC physical inspection. A/R-HUD also increased by \$7,648 from previous year. This is due to excess CFP expenditures over CFP revenues. Another reason for the increase was due to an increase of accrued interest receivable from previous year. The authority transferred a significant portion of cash equivalents into investments which then resulted in an increase of accrued interest receivable of \$10,676.

Fixed Assets

Fixed assets decreased primarily due to the amount depreciation charges incurred for the current year exceeding the amount of capital assets acquired during the year. Please note the capital asset portion presented in a later section.

Current Liabilities

Current liabilities decreased primarily due to the accounts payable balance decreasing by \$10,086. This is a result of the authority gas bills for June decreasing in amount from the previous year.

Washington Housing Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2006

Long Term Liabilities

Amounts pertaining to long term liabilities decreased due to the level of accrued leave retained by employees as of December 31, 2006 as compared to December 31, 2005.

Net Assets

The Authority's total net asset balance decreased by \$70,852 from the previous year.

The Authority's unrestricted net assets increased from \$1,383,065 to \$1,432,517, an increase of \$49,452, or 4% for the current year. The principal reason for the increase is due to the excess of operating revenues over operating expenses recorded for the current fiscal year. The unrestricted net asset account balance is the amount available for future appropriations. This balance is subject to program specific guidelines.

Investment in net fixed assets decreased by \$120,304 for the current fiscal year. This is due primarily to the addition of the current year's accumulated depreciation.

Summary Statement of Revenues & Expenses and Changes in Net Assets
Years Ended December 31, 2006 and 2005

Category	FYE 2006	FYE 2005	Change \$	Change %
Tenant Revenue	\$ 474,118	\$ 458,688	\$ 15,430	3%
HUD Operating Grants	\$ 349,385	\$ 396,659	\$ (47,274)	-12%
Capital Grants	\$ 61,512	\$ 23,465	\$ 38,047	162%
Interest Income	\$ 54,118	\$ 19,235	\$ 34,883	181%
Other Revenue	\$ 14,271	\$ 26,065	\$ (11,794)	-45%
Total Revenue	\$ 953,404	\$ 924,112	\$ 29,292	3%
Administration	\$ 237,153	\$ 221,942	\$ 15,211	7%
Tenant Services	\$ 6,785	\$ 8,449	\$ (1,664)	-20%
Utilities	\$ 220,045	\$ 225,897	\$ (5,852)	-3%
Ordinary Maintenance	\$ 282,735	\$ 303,424	\$ (20,689)	-7%
General Expense	\$ 70,697	\$ 72,469	\$ (1,772)	-2%
Extraordinary Maintenance	\$ 20,050	\$ 5,195	\$ 14,855	286%
Depreciation	\$ 186,791	\$ 185,353	\$ 1,438	1%
Total Expenses	\$ 1,024,256	\$ 1,022,729	\$ 1,527	0%
Excess of Revenue over Expenses	\$ (70,852)	\$ (98,617)	\$ 27,765	-28%
Net Assets, Beginning of Year	\$ 2,565,444	\$ 2,664,064	\$ (98,617)	-4%
Net Assets, End of Year	\$ 2,494,592	\$ 2,565,444	\$ (70,852)	-3%

*Washington Housing Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2006*

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue increased \$29,292 during the current fiscal year.

- Activity in the Capital Fund Program increased by \$38,047 due to a roofing and electrical upgrade project.
- Tenant revenue increased by \$15,430 due to tenants earning higher incomes than the previous year. The average rent charged to a tenant on a monthly basis increased from \$204 from the previous year to an average of \$207 for the current fiscal year.
- Interest income increased by \$34,883 from the previous year due to the authority converting a significant portion of the cash equivalents into investments.
- HUD operating grants decreased by \$47,274 due to a reduction in the amount of subsidy provided by HUD.
- Other revenue decreased by \$11,794 due to the previous year amounts including insurance proceeds.

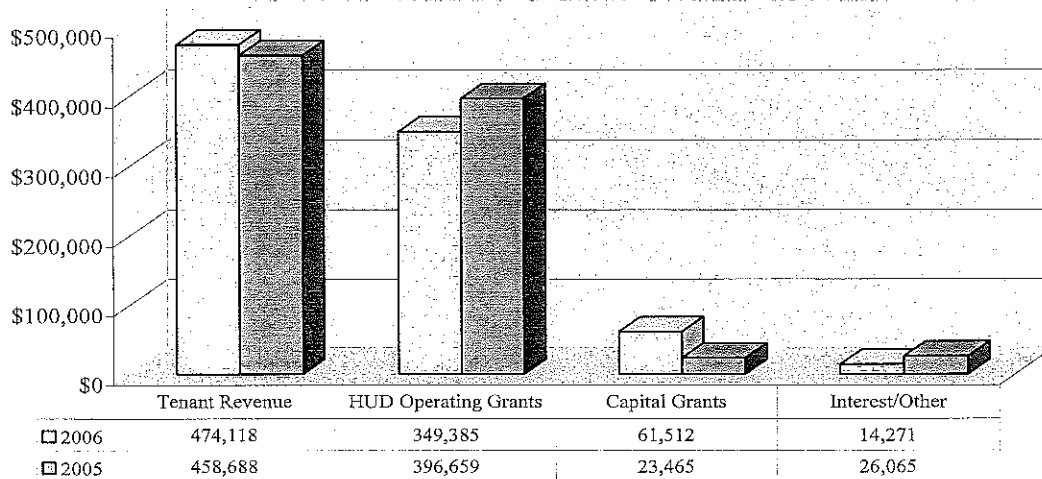
Total expenses increased by \$1,527. Significant differences between the years include:

- Extraordinary maintenance increased \$14,855 due primarily to the one-time purchase of a significant amount of ranges and refrigerators in the current year.
- Administrative expenses increased by \$15,211 due to an increase in the administrative salaries. This increase was a result of a cost of living raises.
- Utilities expense decreased by \$5,852. This decrease in gas costs is due to a decrease in gas consumption.
- Ordinary maintenance decreased by \$20,689 due to the reclassification of maintenance materials to maintenance materials inventory.

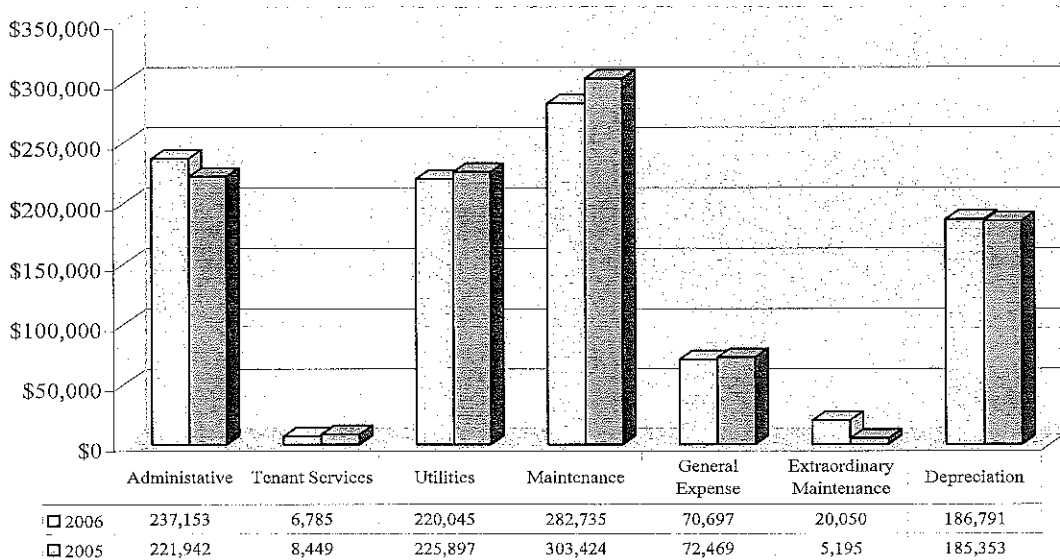
Washington Housing Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2006

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:

Washington Housing Authority
Analysis of Revenue



Washington Housing Authority
Analysis of Expenses



Washington Housing Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2006

Capital Assets

As of December 31, 2006, the Washington Housing Authority's investment in capital assets was \$1,062,075. This investment includes land, building, construction in progress, and equipment.

Category	FYE 2005	FYE 2004	Change \$	Change %
Land	\$ 97,107	\$ 97,107	\$ -	0%
Buildings	\$ 4,500,681	\$ 4,398,387	\$ 102,294	2%
Equipment	\$ 202,916	\$ 211,849	\$ (8,933)	-4%
Construction in Progress	\$ 78,842	\$ 117,420	\$ (38,578)	N/A
Accumulated Depreciation	\$ (3,817,471)	\$ (3,642,384)	\$ (175,087)	5%
Total Net Fixed Assets	\$ 1,062,075	\$ 1,182,379	\$ (120,304)	-10%

The Buildings account increased due to the implementation of an improvement project consisting of a laundry room project and activity room project.

The construction in progress account consists of a roofing and electrical project being funding out of the 2004, 2005 and 2006 CFPs.

Debt Administration

The Authority classifies a portion of the employee's accrued leave as long term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$3,497.

Subsequent Event

HUD has revised the funding formula used to calculate Operating Funds for Low Rent Housing Program for the 2007 calendar year and after. The Housing Authority funding levels should increase slightly above the year amounts. However, the actual funding levels provided depend upon the proration levels established by HUD due to appropriations. Future CFP projects include continuing of an electrical upgrade, air conditioning unit installation, floor tiling and kitchen cabinets. Also the collapse of the exterior wall of our elderly high rise is of the utmost concern and will require funds. At present there are no lawsuits or grievances. Budget concerns regarding future funding (Operating fund proration) are very real concern. Any funding cut effects all of our low income tenants in one way or another.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Washington Housing Authority
William O'Brian, Executive Director
520 S.E. 2ND Street
Washington, IN 47501

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
AS OF DECEMBER 31, 2006**

ASSETS

CURRENT ASSETS

Cash	\$ 371,553
Accounts receivable (interfund eliminated)	10,456
Accrued interest receivable	11,470
Investments	1,080,847
Inventory	18,628
Deferred charges	<u>13,829</u>
 Total Current Assets	 <u>\$ 1,506,783</u>

CAPITAL ASSETS

Land, buildings and equipment	\$ 4,879,546
Less: Accumulated depreciation	<u>-3,817,471</u>
 Total Capital Assets	 <u>\$ 1,062,075</u>

Total Assets \$ 2,568,858

LIABILITIES

CURRENT LIABILITIES

Accounts payable (interfund eliminated)	\$ 41,851
Accrued liabilities	25,642
Deferred revenue	<u>3,276</u>
 Total Current Liabilities	 <u>\$ 70,769</u>

NONCURRENT LIABILITIES

Accrued liabilities	<u>\$ 3,497</u>
 Total Noncurrent Liabilities	 <u>\$ 3,497</u>

NET ASSETS

Invested in capital assets	\$ 1,062,075
Unrestricted	<u>1,432,517</u>
 Total Net Assets	 <u>\$ 2,494,592</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF REVENUE AND EXPENDITURES - PROPRIETARY FUNDS
AND CHANGES IN NET ASSETS
TWELVE MONTHS ENDED DECEMBER 31, 2006**

Operating Income

Tenant rental revenue	\$ 467,727
Excess utilities	<u>6,391</u>
Total Rental Income	\$ 474,118
HUD grants - operating	349,385
Other income	<u>14,271</u>
Total Operating Income	<u>\$ 837,774</u>

Operating Expenses

Administration	\$ 237,153
Tenant services	6,785
Utilities	220,045
Ordinary maintenance and operation	282,735
General expense	70,697
Extraordinary maintenance	20,050
Depreciation	<u>186,791</u>
Total Operating Expenses	<u>\$ 1,024,256</u>
Net Operating Income (Loss)	<u>\$ -186,482</u>

Nonoperating Income (Expense)

HUD grants - capital	\$ 61,512
Interest income	<u>54,118</u>
Total Nonoperating Income (Expense)	<u>\$ 115,630</u>
Changes in net assets	\$ -70,852
Net assets, beginning of year	<u>2,565,444</u>
Net assets, end of year	<u>\$ 2,494,592</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2006**

Operating Activities

Operating grants	\$ 341,737
Tenant revenue	475,057
Other revenue	14,271
Payments to employees	-281,483
Payments to suppliers and contractors	<u>-586,503</u>

Net Cash Provided (Used) by Operating Activities \$ -36,921

Investing Activities

Investments (purchased) redeemed	\$ -896,594
Interest income	<u>43,442</u>

Net Cash Provided (Used) by Investing Activities \$ -853,152

Capital and Related Financing Activities

HUD grants - capital	\$ 61,512
(Additions) deletions to fixed assets	<u>-66,487</u>

Net Cash Provided (Used) by
Capital and Related Financing Activities \$ -4,975

Net Change in Cash \$ -895,048

Cash Balance at December 31, 2005 1,266,601

Cash Balance at December 31, 2006 \$ 371,553

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED DECEMBER 31, 2006**

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

Net operating income (loss)	\$ -186,482
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	186,791
(Increase) decrease in accounts receivable	-13,901
(Increase) decrease in deferred charges	1,224
(Increase) decrease in inventories	-14,841
(Increase) decrease in other assets	-10,676
Increase (decrease) in accounts payable	-3,042
Increase (decrease) in accrued liabilities	-5,716
Increase (decrease) in deferred revenues	<u>-954</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -47,597</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2006**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

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

WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA

NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 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 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 December 31, 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.

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 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 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	3-5	years
Leasehold improvements	15	years

(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.

WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA

NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2006
(CONTINUED)

Note 1 - Summary of Significant Accounting Policies

- (k) The Housing Authority adopts a budget annually. The budget is submitted to the Department of Housing and Urban Development for approval. Subsequent budget revisions may also be required to be submitted to HUD 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.

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.

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2006
(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 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>\$ 371,553</u>	<u>\$ 371,687</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>Fund</u>	<u>Book Balance</u>	<u>Market Value</u>
Low Rent	<u>\$ 1,080,847</u>	<u>\$ 1,080,847</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2006
(CONTINUED)**

Note 3 - Compensated Absences

Vacation/Annual leave will be earned by all full-time employees at the rate of 3.33 hours per month for a total of 40 hours per calendar year. After two years of employment, vacation pay will accumulate at the rate of 6.67 hours per month for a total of 80 hours per calendar year. After five years of employment, vacation pay will accumulate at the rate of 10 hours per month for a total of 120 hours per calendar year. After ten years of employment, vacation pay will accumulate at the rate of 13.33 hours per month for a total of 160 hours per calendar year. An employee may accumulate vacation hours, not to exceed 18 days.

Sick Leave will be accumulated by all full-time employees at the rate of 8 hours per month for a total of 96 hours per calendar year. After two years of employment, sick leave will accumulate at the rate of 12 hours per month for a total of 144 hours per calendar year. Sick leave may accumulate to 60 workdays. In no event shall an employee be paid for sick leave not taken.

The estimated portion of the liability for vested vacation and sick leave benefits attributable to the Housing Authority is recorded as an expenditure and liability in each of the respective programs.

Note 4 - Defined Contribution Plan

The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after the first full month of service. The plan requires the Housing Authority and the employee to contribute 7.5% and 5.5% of base salary each month, respectively. The Housing Authority's contributions for each employee (and interest allocated the employee's account) are fully vested after five years of continuous service. Housing Authority contributions for, and the interest forfeited by, employees who leave employment before five years of service are reallocated to the Housing Authority's current employees. For the fiscal year ended December 31, 2006, actual contributions were \$41,410.

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

Tenants accounts receivable	\$ 1,763
Allowance for doubtful accounts	-271
Accounts receivable - HUD	<u>8,964</u>
Subtotal	\$ 10,456
Interfund	<u>8,964</u>
Total	<u>\$ 19,420</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2006
(CONTINUED)**

Note 6 - Investments

At December 31, 2006 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	3.57-4.70%	<u>\$ 1,080,847</u>	<u>\$ 1,080,847</u>

Note 7 - Deferred Charges

This classification includes the following accounts:

Prepaid insurance	<u>\$ 13,829</u>
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Note 8 - Fixed Assets

Balance as of December 31, 2006	\$ 1,062,075
Balance as of December 31, 2005	<u>1,182,379</u>
Net Increase (Decrease)	<u>\$ -120,304</u>

Reconciliation

Replacement of nonexpendable equipment	\$ 66,487
Current year depreciation expense	<u>-186,791</u>
Net Increase (Decrease)	<u>\$ -120,304</u>

<u>Analysis</u>	<u>01/01/2006 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>12/31/2006 Balance</u>
Land	\$ 97,107	\$ 0	\$ 0	\$ 97,107
Buildings	4,398,387	102,294	0	4,500,681
Equipment and furniture	211,849	2,770	11,703	202,916
Construction in progress	<u>117,420</u>	<u>0</u>	<u>38,578</u>	<u>78,842</u>
Total	\$ 4,824,763	\$ 105,064	\$ 50,281	\$ 4,879,546
Accumulated depreciation	<u>-3,642,384</u>	<u>11,704</u>	<u>186,791</u>	<u>-3,817,471</u>
Net Assets	<u>\$ 1,182,379</u>	<u>\$ 116,768</u>	<u>\$ 237,072</u>	<u>\$ 1,062,075</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2006
(CONTINUED)**

Note 9 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 23,261
Tenants security deposits	16,573
Payroll taxes payable	<u>2,017</u>
Subtotal	\$ 41,851
Interfund	<u>8,964</u>
Total	<u>\$ 50,815</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	\$ 874
Payment in lieu of taxes	<u>24,768</u>
Total Current Portion	\$ 25,642
Noncurrent Portion:	
Accrued compensated absences	<u>3,497</u>
Total	<u>\$ 29,139</u>

WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA

NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED DECEMBER 31, 2006
(CONTINUED)

Note 12 - Deferred Revenue

This classification consists of the following accounts:

Tenants prepaid rent	\$ <u>3,276</u>
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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 a large percentage of its revenue (43%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

SUPPLEMENTAL DATA

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 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-590	FYE 12/31/06	\$ 262,845	\$ 262,845	\$ 262,845
Public Housing - Capital Fund	14.872	C-590	FYE 12/31/06	\$ 1,326,589	\$ 148,052	\$ 148,052
Total Housing Assistance				<u>\$ 1,589,434</u>	<u>\$ 410,897</u>	<u>\$ 410,897</u>

*Denotes major program.

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

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2006**

<u>ASSETS</u>	<u>Low Rent</u>	<u>Capital Funds</u>
CURRENT ASSETS		
Cash	\$ 371,553	\$ 0
Accounts receivable	10,456	8,964
Accrued interest receivable	11,470	0
Investments	1,080,847	0
Inventory	18,628	0
Deferred charges	<u>13,829</u>	<u>0</u>
Total Current Assets	<u>\$ 1,506,783</u>	<u>\$ 8,964</u>
CAPITAL ASSETS		
Land, buildings and equipment	\$ 4,681,552	\$ 197,994
Less: Accumulated depreciation	<u>-3,804,136</u>	<u>-13,335</u>
Net Capital Assets	<u>\$ 877,416</u>	<u>\$ 184,659</u>
Total Assets	<u>\$ 2,384,199</u>	<u>\$ 193,623</u>
 <u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 41,851	\$ 8,964
Accrued liabilities	25,642	0
Deferred revenue	<u>3,276</u>	<u>0</u>
Total Current Liabilities	<u>\$ 70,769</u>	<u>\$ 8,964</u>
NONCURRENT LIABILITIES		
Accrued liabilities	<u>\$ 3,497</u>	<u>\$ 0</u>
Total Noncurrent Liabilities	<u>\$ 3,497</u>	<u>\$ 0</u>
 <u>NET ASSETS</u>		
Invested in capital assets	\$ 877,416	\$ 184,659
Unrestricted	<u>1,432,517</u>	<u>0</u>
Total Net Assets	<u>\$ 2,309,933</u>	<u>\$ 184,659</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF REVENUE AND EXPENDITURES
TWELVE MONTHS ENDED DECEMBER 31, 2006**

<u>Operating Income</u>	<u>Low Rent</u>	<u>Capital Funds</u>
Tenant rental revenue	\$ 467,727	\$ 0
Excess utilities	<u>6,391</u>	<u>0</u>
Total Rental Income	\$ 474,118	\$ 0
HUD grants - operating	262,845	86,540
Other revenue	<u>14,271</u>	<u>0</u>
Total Operating Income	<u>\$ 751,234</u>	<u>\$ 86,540</u>
 <u>Operating Expenses</u>		
Administration	\$ 228,617	\$ 8,536
Tenant services	6,785	0
Utilities	220,045	0
Ordinary maintenance and operation	264,704	18,031
General expense	70,697	0
Extraordinary maintenance	5,427	14,623
Depreciation	<u>178,808</u>	<u>7,983</u>
Total Operating Expenses	<u>\$ 975,083</u>	<u>\$ 49,173</u>
Net Operating Income (Loss)	<u>\$ -223,849</u>	<u>\$ 37,367</u>
 <u>Nonoperating Income (Expense)</u>		
HUD grants - capital	\$ 0	\$ 61,512
Interest income	54,118	0
Transfer	<u>45,350</u>	<u>-45,350</u>
Total Nonoperating Income (Expense)	<u>\$ 99,468</u>	<u>\$ 16,162</u>
Changes in Net Assets	<u>\$ -124,381</u>	<u>\$ 53,529</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF CHANGES IN NET ASSETS
TWELVE MONTHS ENDED DECEMBER 31, 2006**

<u>Invested in Capital Assets</u>	<u>Low Rent</u>	<u>Capital Funds</u>
Balance at December 31, 2005	\$ 1,051,249	\$ 131,130
Current year net income (loss)	<u>-173,833</u>	<u>53,529</u>
Balance at December 31, 2006	<u>\$ 877,416</u>	<u>\$ 184,659</u>
 <u>Unrestricted Net Assets</u>		
Balance at December 31, 2005	\$ 1,383,065	\$ 0
Current year net income (loss)	<u>49,452</u>	<u>0</u>
Balance at December 31, 2006	<u>\$ 1,432,517</u>	<u>\$ 0</u>
Total Net Assets	<u>\$ 2,309,933</u>	<u>\$ 184,659</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF CASH FLOWS
TWELVE MONTHS ENDED DECEMBER 31, 2006**

<u>Operating Activities</u>	<u>Low Rent</u>	<u>Capital Funds</u>
Operating grants	\$ 262,845	\$ 78,892
Tenant revenue	475,057	0
Other revenue	14,271	0
Payments to employees	-274,395	-7,088
Payments to suppliers and contractors	<u>-560,049</u>	<u>-26,454</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -82,271</u>	<u>\$ 45,350</u>
 <u>Investing Activities</u>		
Investments (purchased) redeemed	\$ -896,594	\$ 0
Interest income	<u>43,442</u>	<u>0</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ -853,152</u>	<u>\$ 0</u>
 <u>Capital and Related Financing Activities</u>		
HUD grants - capital	\$ 0	\$ 61,512
(Additions) deletions to fixed assets	-4,975	-61,512
Transfer	<u>45,350</u>	<u>-45,350</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 40,375</u>	<u>\$ -45,350</u>
Net Change in Cash	\$ -895,048	\$ 0
Cash Balance at December 31, 2005	<u>1,266,601</u>	<u>0</u>
Cash Balance at December 31, 2006	<u>\$ 371,553</u>	<u>\$ 0</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**STATEMENT OF CASH FLOWS
TWELVE MONTHS ENDED DECEMBER 31, 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)	\$ -223,849	\$ 37,367
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:		
Depreciation	178,808	7,983
(Increase) decrease in accounts receivable	-6,253	-7,648
(Increase) decrease in deferred charges	1,224	0
(Increase) decrease in inventories	-14,841	0
(Increase) decrease in other assets	-10,676	0
Increase (decrease) in accounts payable	-10,690	7,648
Increase (decrease) in accrued liabilities	-5,716	0
Increase (decrease) in deferred revenues	-954	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	<u>\$ -92,947</u>	<u>\$ 45,350</u>

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IN36P030501-02**

1. The Actual Modernization Costs of Phase IN36P030501-02 are as follows:

Funds approved	\$ 289,602
Funds expended	<u>289,602</u>
Excess of Funds Approved	<u>\$ 0</u>
Funds advanced	
Project notes, non-HUD	\$ 289,602
Funds expended	<u>289,602</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 July 12, 2007, 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
Washington Housing Authority
Washington, Indiana

I have audited the financial statements of Washington Housing Authority as of and for the year ended December 31, 2006, and have issued my report thereon dated August 2, 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 Washington Housing Authority'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 Washington Housing Authority'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
August 2, 2007


Certified Public Accountant

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended December 31, 2005 contained no findings.

**WASHINGTON HOUSING AUTHORITY
WASHINGTON, INDIANA**

CURRENT FINDINGS AND RECOMMENDATIONS

There were no audit findings discussed with William O'Brian, Executive Director, during the course of the audit and at an exit conference held July 13, 2007.

PHA: IN030 FYED: 12/31/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$371,553	\$0	\$371,553
100	Total Cash	\$371,553	\$0	\$371,553
122	Accounts Receivable - HUD Other Projects	\$0	\$8,964	\$8,964
126	Accounts Receivable - Tenants - Dwelling Rents	\$1,763	\$0	\$1,763
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-271	\$0	\$-271
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
129	Accrued Interest Receivable	\$11,470	\$0	\$11,470
120	Total Receivables, net of allowances for doubtful accounts	\$12,962	\$8,964	\$21,926
131	Investments - Unrestricted	\$1,080,847	\$0	\$1,080,847
142	Prepaid Expenses and Other Assets	\$13,829	\$0	\$13,829
143	Inventories	\$18,628	\$0	\$18,628
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0
144	Interprogram Due From	\$8,964	\$0	\$8,964
150	Total Current Assets	\$1,506,783	\$8,964	\$1,515,747
161	Land	\$97,107	\$0	\$97,107
162	Buildings	\$4,400,592	\$100,089	\$4,500,681
164	Furniture, Equipment & Machinery - Administration	\$183,853	\$19,063	\$202,916
166	Accumulated Depreciation	\$-3,804,136	\$-13,335	\$-3,817,471
167	Construction In Progress	\$0	\$78,842	\$78,842
160	Total Fixed Assets, Net of Accumulated Depreciation	\$877,416	\$184,659	\$1,062,075
180	Total Non-Current Assets	\$877,416	\$184,659	\$1,062,075
190	Total Assets	\$2,384,199	\$193,623	\$2,577,822

PHA: IN030 FYED: 12/31/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$23,261	\$0	\$23,261
321	Accrued Wage/Payroll Taxes Payable	\$2,017	\$0	\$2,017
322	Accrued Compensated Absences - Current Portion	\$874	\$0	\$874
333	Accounts Payable - Other Government	\$24,768	\$0	\$24,768
341	Tenant Security Deposits	\$16,573	\$0	\$16,573
342	Deferred Revenues	\$3,276	\$0	\$3,276
347	Interprogram Due To	\$0	\$8,964	\$8,964
310	Total Current Liabilities	\$70,769	\$8,964	\$79,733
354	Accrued Compensated Absences - Non Current	\$3,497	\$0	\$3,497
350	Total Noncurrent Liabilities	\$3,497	\$0	\$3,497
300	Total Liabilities	\$74,266	\$8,964	\$83,230
508	Total Contributed Capital	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$877,416	\$184,659	\$1,062,075
511	Total Reserved Fund Balance	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$1,432,517	\$0	\$1,432,517
513	Total Equity/Net Assets	\$2,309,933	\$184,659	\$2,494,592
600	Total Liabilities and Equity/Net Assets	\$2,384,199	\$193,623	\$2,577,822

PHA: IN030 FYED: 12/31/2006

Line Item No.	Account Description.	Low Rent Public Housing	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$467,727	\$0	\$467,727
704	Tenant Revenue - Other	\$6,391	\$0	\$6,391
705	Total Tenant Revenue	\$474,118	\$0	\$474,118
706	HUD PHA Operating Grants	\$262,845	\$86,540	\$349,385
706.1	Capital Grants	\$0	\$61,512	\$61,512
711	Investment Income - Unrestricted	\$54,118	\$0	\$54,118
715	Other Revenue	\$14,271	\$0	\$14,271
700	Total Revenue	\$805,352	\$148,052	\$953,404

PHA: IN030 FYED: 12/31/2006

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$120,852	\$5,148	\$126,000
912	Auditing Fees	\$3,380	\$0	\$3,380
914	Compensated Absences	\$-7,316	\$0	\$-7,316
915	Employee Benefit Contributions - Administrative	\$42,192	\$0	\$42,192
916	Other Operating - Administrative	\$69,509	\$3,388	\$72,897
924	Tenant Services - Other	\$6,785	\$0	\$6,785
931	Water	\$28,168	\$0	\$28,168
932	Electricity	\$78,129	\$0	\$78,129
933	Gas	\$93,443	\$0	\$93,443
938	Other Utilities Expense	\$20,305	\$0	\$20,305
941	Ordinary Maintenance and Operations - Labor	\$152,441	\$1,940	\$154,381
942	Ordinary Maintenance and Operations - Materials and Other	\$37,115	\$12,398	\$49,513
943	Ordinary Maintenance and Operations - Contract Costs	\$21,928	\$3,693	\$25,621
945	Employee Benefit Contributions - Ordinary Maintenance	\$53,220	\$0	\$53,220
961	Insurance Premiums	\$43,255	\$0	\$43,255
963	Payments in Lieu of Taxes	\$24,768	\$0	\$24,768
964	Bad Debt - Tenant Rents	\$2,674	\$0	\$2,674
969	Total Operating Expenses	\$790,848	\$26,567	\$817,415
970	Excess Operating Revenue over Operating Expenses	\$14,504	\$121,485	\$135,989
971	Extraordinary Maintenance	\$5,427	\$14,623	\$20,050
974	Depreciation Expense	\$178,808	\$7,983	\$186,791
900	Total Expenses	\$975,083	\$49,173	\$1,024,256
1001	Operating Transfers In	\$45,350	\$0	\$45,350
1002	Operating Transfers Out	\$0	\$-45,350	\$-45,350
1010	Total Other Financing Sources (Uses)	\$45,350	\$-45,350	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-124,381	\$53,529	\$-70,852

PHA: IN030 FYED: 12/31/2006

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	\$2,434,314	\$131,130	\$2,565,444
1120	Unit Months Available	2,280	0	2,280
1121	Number of Unit Months Leased	2,258	0	2,258

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