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May 19, 2009

Board of Commissioners  
Housing Authority of the  
City of Fort Wayne  
7315 S. Hanna St.  
P.O. Box 13489  
Fort Wayne, IN 46869

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period July 1, 2006 to June 30, 2007. 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 Fort Wayne, as of June 30, 2007, 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.

We call your attention to the finding in the report. Page 49 contains one current audit finding.

STATE BOARD OF ACCOUNTS

**HOUSING AUTHORITY  
OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

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

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**TWELVE MONTHS ENDED JUNE 30, 2007**

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

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

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## Independent Auditor's Report

Board of Directors  
Housing Authority of the City of Ft. Wayne  
Ft. Wayne, Indiana

I have audited the accompanying financial statements of Housing Authority of the City of Ft. Wayne and the aggregate discretely presented component unit, as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Housing Authority of the City of Ft. Wayne and the aggregate discretely presented component unit, as of June 30, 2007 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 February 14, 2008, on my consideration of the Housing Authority of the City of Ft. Wayne'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 11, are not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements of the Housing Authority of the City of Ft. Wayne, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Housing Authority of Ft. Wayne. 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 Ft. Wayne. 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  
February 14, 2008



Certified Public Accountant

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

The Housing Authority of the City of Fort Wayne's ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

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

**FINANCIAL HIGHLIGHTS**

- Revenues decreased by \$1.5 million (or 7%) during 2007, and were \$21.6 million and \$20.1 million for 2006 and 2007 respectively.
- The total expenses of all Authority programs decreased by \$1.5 million (or 9%). Total expenses were \$18.0 million and \$16.5 million for 2006 and 2007 respectively.
- The Housing Authority retired \$125,000 of the outstanding Capital Fund Bonds during the fiscal year. No new debt was issued, leaving outstanding revenue bonds of \$3,565,000.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

### USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

#### **MD&A**

Management's Discussion  
And Analysis

#### **Basic Financial Statements**

Authority-wide Financial Statements  
Notes to Financial Statements

#### **Other Required Supplementary Information**

Required Supplementary Information  
(Other than the MD&A)

The primary focus of the Authority's financial statements is on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)

**Authority-Wide Financial Statements**

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

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

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

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

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)****Fund Financial Statements**

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Many of the funds maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

**The Authority's Funds**Business Type Funds

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

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

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

Resident Opportunity and Supportive Services – a grant program funded by the Department of Housing and Urban Development to give opportunities and support among the Authority's resident population.

Housing Counseling Assistance Program – a grant program funded by the Department of Housing and Urban Development to provide housing counseling services to the local population.

Hope VI Demolition – a grant program funded by the Department of Housing and Urban Development to Demolish Authorities properties that are severely distressed.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)

## AUTHORITY-WIDE STATEMENTS

## Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1

## STATEMENT OF NET ASSETS

	2007 (In millions Of dollars)	2006 (In millions Of dollars)
Current and Other Assets	\$ 15.1	\$ 11.3
Capital Assets	15.0	14.3
Total Assets	<u>30.1</u>	<u>25.6</u>
Current Liabilities	1.6	0.5
Long-Term Liabilities	3.9	4.7
Total Liabilities	<u>5.5</u>	<u>5.2</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	11.4	10.6
Restricted	6.9	0.0
Unrestricted	6.3	9.8
Total Net Assets	<u>\$24.6</u>	<u>\$20.4</u>

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

**Major Factors Affecting the Statement of Net Assets**

During 2007, current and other assets and liabilities remain stable.

Capital assets changed significantly, increasing from \$14.3 million to \$15.0 million. The \$0.7 million increase may be attributed primarily to a combination of net acquisitions, less current year depreciation and amortization. For more detail see "Capital Assets and Debt Administration" below.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)

Table 2 presents details on the change in Unrestricted Net Assets

**TABLE 2**  
**CHANGE OF UNRESTRICTED NET ASSETS**

	Millions of Dollars
Unrestricted Net Assets 06/30/06	<u>\$ 9.8</u>
Results of Operations	(1.2)
Adjustments:	
Depreciation (1)	<u>1.0</u>
Adjusted Results from Operations	<u>(0.2)</u>
Transfers (2)	<u>(3.9)</u>
Prior Year Adjustments	<u>0.6</u>
Unrestricted Net Assets 06/30/07	<u><u>\$ 6.3</u></u>

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

(2) Capital expenditures represent an outflow of unrestricted net assets, but are not treated as an expense against Results of Operations, and therefore must be deducted

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)

TABLE 3

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

	2007 (Million of dollars)	2006 (Million of dollars)
Revenues		
Tenant Revenue – Rents and Other	\$ 1.2	\$ 1.3
Operating Subsidies and Grants	17.4	18.4
Capital Grants	1.0	1.3
Investment Income	0.2	0.2
Other Revenues	0.3	0.4
Total Revenue	<u>20.1</u>	<u>21.6</u>
Expenses		
Administrative	1.8	2.6
Tenant Services	0.0	0.0
Utilities	0.5	0.6
Maintenance	1.4	1.4
Protective Services	0.0	0.0
General	0.5	0.4
Housing Assistance Payments	11.3	12.0
Depreciation	1.0	1.0
Total Expenses	<u>16.5</u>	<u>18.0</u>
Net Increase	<u>\$ 3.6</u>	<u>\$ 3.6</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)

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

Tenant revenue was stable during 2006 in comparison to 2007. Operating Subsidies, Grants and Capital Grants increased. The increase was due to two major factors: (1) the Authority has been engaging in a high level of Capital Improvement activity, which has resulted in increased Grant Revenues, and (2) the Authority has been aggressively pursuing additional Operating Subsidies.

Most expenses increased moderately due to inflation, except for Maintenance, and Housing Assistance Payments. Housing Assistance Payments increased due to a higher level of leasing activities within the Authority's Housing Choice Voucher Program. The Authority rented units to more low-income households, which increased Housing Assistance Payments as well as the associated HUD revenue. Maintenance expenses increased in excess of inflation due to a higher level of maintenance activity during the fiscal year 2007.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

## Capital Assets

As of year-end, the Authority had \$15.0 million invested in a variety of capital assets as reflected in the following schedule.

TABLE 4

CAPITAL ASSETS AT YEAR-END  
(NET OF DEPRECIATION)

	Business-type Activities	
	2007 (Millions)	2006 (Millions)
Land and land rights	\$ 1.2	\$ 1.2
Buildings	32.4	31.8
Equipment – Administrative	3.1	3.0
Equipment – Dwelling	.8	.8
Accumulated Depreciation	(28.7)	(27.7)
Leasehold Improvements	.0	.0
Construction In Progress	6.2	5.2
Total	\$15.0	\$14.3

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes.

**TABLE 5**  
**CHANGE IN CAPITAL ASSETS**  
**(IN MILLIONS)**

	Business Type Activities
Beginning Balance	\$14.3
Additions, Net of Retirements	1.7
Depreciation and Amortization	<u>(1.0)</u>
Ending Balance	<u><u>\$15.0</u></u>

This year's major additions primarily capital expenditures related to modernizing the Authority's housing developments. There was also an amount of equipment purchases.

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

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

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Carolyn M. Nichter, Fiscal Services Director of the Housing Authority of the City of Fort Wayne, at (260) 449-7816. Specific requests may be submitted to the Housing Authority of the City of Fort Wayne at 2025 South Anthony Blvd., PO Box 13489, Fort Wayne, Indiana, 46868-3489.

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>ASSETS</u>	Proprietary Funds	Component Unit
<b>CURRENT ASSETS</b>		
Cash	\$ 6,980,279	\$ 71,650
Accounts receivable (interfund eliminated)	776,843	153,245
Inventory	81,481	0
Deferred charges	<u>232,831</u>	<u>210</u>
Total Current Assets	<u>\$ 8,071,434</u>	<u>\$ 225,105</u>
<b>CAPITAL ASSETS</b>		
Land, buildings and equipment	\$ 43,582,921	\$ 74,239
Less: Accumulated depreciation	<u>-28,639,939</u>	<u>-15,869</u>
Net Capital Assets	<u>\$ 14,942,982</u>	<u>\$ 58,370</u>
<b>RESTRICTED ASSETS</b>		
Cash	<u>\$ 6,905,527</u>	<u>\$ 0</u>
Total Assets	<u>\$ 29,919,943</u>	<u>\$ 283,475</u>
 <b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Cash overdraft	\$ 879,243	\$ 0
Accounts payable (interfund eliminated)	458,914	79,298
Bonds payable	130,000	0
Accrued liabilities	161,221	0
Deferred revenue	<u>8,905</u>	<u>9</u>
Total Current Liabilities	<u>\$ 1,638,283</u>	<u>\$ 79,307</u>
<b>NONCURRENT LIABILITIES</b>		
Bonds payable	\$ 3,435,000	\$ 0
FSS escrow	<u>460,392</u>	<u>0</u>
Total Noncurrent Liabilities	<u>\$ 3,895,392</u>	<u>\$ 0</u>
 <b><u>NET ASSETS</u></b>		
Invested in capital assets	\$ 11,377,982	\$ 58,370
Restricted	6,897,549	0
Unrestricted	<u>6,110,737</u>	<u>145,798</u>
Total Net Assets	<u>\$ 24,386,268</u>	<u>\$ 204,168</u>

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

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Income</u>	Proprietary Funds	Component Unit
Tenant rental revenue	\$ 1,000,937	\$ 6,600
Tenant revenue - other	<u>171,572</u>	<u>48</u>
Total Tenant Revenue	\$ 1,172,509	\$ 6,648
HUD grants - operating	17,425,784	0
Other government grants	19,000	0
Other revenue	<u>150,508</u>	<u>153,845</u>
Total Operating Income	<u>\$ 18,767,801</u>	<u>\$ 160,493</u>
 <u>Operating Expenses</u>		
Administration	\$ 1,831,203	\$ 1,017
Tenant services	491	0
Utilities	488,095	0
Ordinary maintenance and operation	1,427,240	2,146
General expense	308,374	1,759
Protective services	14,462	0
Housing assistance payments	11,286,834	0
Depreciation	<u>948,410</u>	<u>1,671</u>
Total Operating Expenses	<u>\$ 16,305,109</u>	<u>\$ 6,593</u>
Net Operating Income (Loss)	<u>\$ 2,462,692</u>	<u>\$ 153,900</u>
 <u>Nonoperating Income (Expense)</u>		
HUD grants - capital	\$ 966,362	\$ 0
Interest expense	-170,493	0
Interest income	<u>217,706</u>	<u>0</u>
Total Nonoperating Income (Expense)	<u>\$ 1,013,575</u>	<u>\$ 0</u>
Changes in net assets	\$ 3,476,267	\$ 153,900
Net assets, beginning of year	20,100,930	305,297
Prior period adjustments/transfers	<u>809,071</u>	<u>-255,029</u>
Net assets, end of year	<u>\$ 24,386,268</u>	<u>\$ 204,168</u>

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

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Activities</u>	Proprietary <u>Funds</u>	Component <u>Unit</u>
Operating grants	\$ 17,444,784	\$ 0
Tenant revenue	1,159,479	6,611
Other revenue	150,508	153,845
Housing assistance payments	-11,286,834	0
Payments to employees	-1,450,011	0
Payments to suppliers and contractors	<u>-2,227,448</u>	<u>-412,137</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,790,478</u>	<u>\$ -251,681</u>
 <u>Investing Activities</u>		
Investments (purchased) redeemed	\$ 5,394,418	\$ 253,996
Interest income	<u>217,706</u>	<u>0</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 5,612,124</u>	<u>\$ 253,996</u>
 <u>Capital and Related Financing Activities</u>		
HUD grant - capital	\$ 966,362	\$ 0
(Additions) deletions to fixed assets	-1,628,210	0
Retirement of debt	-125,000	0
Interest expense	<u>-170,493</u>	<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ -957,341</u>	<u>\$ 0</u>
Net Change in Cash	\$ 8,445,261	\$ 2,315
Cash Balance at June 30, 2006	<u>4,561,302</u>	<u>69,335</u>
Cash Balance at June 30, 2007	<u>\$ 13,006,563</u>	<u>\$ 71,650</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>	<u>Proprietary Funds</u>	<u>Component Unit</u>
Net operating income (loss)	\$ 2,462,692	\$ 153,900
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:		
Depreciation	948,410	1,671
Adjustments to net assets	808,050	-254,008
(Increase) decrease in accounts receivable	19,466	-153,245
(Increase) decrease in deferred charges	8,388	-17
(Increase) decrease in inventory	7,524	0
Increase (decrease) in accounts payable	180,251	55
Increase (decrease) in accrued liabilities	9,837	0
Increase (decrease) in deferred revenues	2,966	-37
Increase (decrease) in other liabilities	<u>-657,106</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,790,478</u>	<u>\$ -251,681</u>

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

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Housing Authority of the City of Ft. Wayne was established by the City of Ft. Wayne 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 Ft. Wayne 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 Ft. Wayne is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements.

Also included in these financial statements is a non-profit component unit that operates two programs promoting home ownership among participants - the Home ownership Program and the Housing Opportunities Program.

(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 FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(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
- \* Section 8 Choice Vouchers
- \* New Construction
- \* Housing Counseling Assistance program (a federal grant program funded by the City of Ft. Wayne)
- \* State and local grant programs
- \* Housing Opportunities Program (program that promotes home ownership among the participants, operated as a component unit)

*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 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 June 30, 2007, 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.

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(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.

(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	15-40 years
Equipment	5-7 years
Leasehold improvements	15 years

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(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 to the Board 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.

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

*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>Book Balance</u>	<u>Bank Balance</u>
Low Rent	\$ 3,262,438	\$ 2,820,583
Voucher	6,947,000	6,986,649
Capital Funds	469,503	941,925
Housing Counseling	57,677	57,677
State and Local	<u>2,269,945</u>	<u>2,269,945</u>
Subtotal	\$ 13,006,563	\$ 13,076,779
Component Unit	<u>71,650</u>	<u>72,150</u>
Total	<u>\$ 13,078,213</u>	<u>\$ 13,148,929</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(CONTINUED)**

Note 3 - Compensated Absences

In general, vacations shall be taken during the calendar year in which they have been earned. Carry-over entitlements must be requested in writing to the department supervisor and approved by the Executive Director by December 31 of each year. In no event will vacation be carried beyond the calendar year following the year in which it was earned. Sick leave is accrued at the rate of one-half day for each full month of continuous employment and may be accrued to no more than 1,000 hours. In the event a full-time employee is terminated at a time that he/she has accumulated sick leave, he/she shall receive one dollar per hour, up to a maximum of \$1,000 for every hour of accumulated sick leave, provided the employee was not terminated for disciplinary reasons.

The estimated portion of the liability for vested 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 benefits for all of its full-time employees through the Public Employee's Retirement Fund (PERF) of Indiana. PERF is the state-administered pension system for the majority of governmental employees in the State of Indiana. PERF is classified as an agent multiple-employer public employee retirement system under the guidelines of GASB Statement No. 5, "Disclosure of pension Information by Public Employee Retirement Systems and State and Local Governmental Employers". PERF act as an agent for all participating governmental units. The benefits payment obligation is transferred in total from the Housing Authority to PERF at the time an employee retires.

The employer portion (2.5% for July 1, 2006 to December 31, 2006 and 3.5% for January 1, 2007 and after) of each employee's eligible compensation is paid into a defined benefit plan, while the employee portion (3% of eligible compensation) goes into a defined contribution plan. The Ft. Wayne Housing Authority also pays the employee portion. The total paid for fiscal year June 30, 2007 was \$120,835. The employee deferred compensation plan through Lincoln Financial was \$24,423.

Employees become vested in PERF after ten years of membership acquired through service in a governmental unit in Indiana. Vested employees are eligible to retire with 44% of full benefits at age 50 with 15 years of service, and with full benefits at age 65.

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(CONTINUED)**

Note 5 - Accounts Receivable

Accounts receivable consists of the following accounts:	Proprietary <u>Funds</u>	Component <u>Unit</u>
Tenants accounts receivable	\$ 24,594	\$ 0
HUD - accounts receivable	188,512	0
Other	485,043	153,245
Interprogram	<u>78,694</u>	<u>0</u>
Subtotal	\$ 776,843	\$ 153,245
Interfund	<u>1,724,049</u>	<u>0</u>
Total	<u>\$ 2,500,892</u>	<u>\$ 153,245</u>

Note 6 - Deferred Charges

This classification includes the following accounts:

Prepaid expenses	\$ 126,785	\$ 0
Insurance deposits	76,180	0
Other deferred charges	<u>29,866</u>	<u>210</u>
Total	<u>\$ 232,831</u>	<u>\$ 210</u>

Note 7 - Capital Assets

Balance as of June 30, 2007	\$ 14,942,982	\$ 58,370
Balance as of June 30, 2006	<u>14,262,161</u>	<u>61,062</u>
Net Increase (Decrease)	<u>\$ 680,821</u>	<u>\$ -2,692</u>

Reconciliation

Additions/transfers	\$ 1,630,420	\$ -1,021
Adjustments to assets basis	-1,188	0
Current year depreciation expense	<u>-948,411</u>	<u>-1,670</u>
Total	<u>\$ 680,821</u>	<u>\$ -2,692</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(CONTINUED)**

Note 7 - Capital Assets (Continued)

<u>Analysis</u>	<u>Proprietary Funds</u>			
	<u>07/01/2006 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>06/30/2007 Balance</u>
Land	\$ 1,224,067	\$ 1,021	\$ 0	\$ 1,225,088
Buildings	31,726,189	634,293	0	32,360,482
Equipment and furniture	3,825,879	28,743	0	3,854,622
Construction in progress	<u>5,177,555</u>	<u>966,362</u>	<u>1,188</u>	<u>6,142,729</u>
Total	\$ 41,953,690	\$ 1,630,419	\$ 1,188	\$ 43,582,921
Accumulated depreciation	<u>-27,291,529</u>	<u>0</u>	<u>948,410</u>	<u>-28,639,939</u>
Net Capital Assets	<u>\$ 14,262,161</u>	<u>\$ 1,630,419</u>	<u>\$ 949,598</u>	<u>\$ 14,942,982</u>

Note 8 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 352,252
Tenants security deposits	63,627
Accounts payable - other	43,639
Interprogram	<u>78,694</u>
Subtotal	\$ 538,212
Interfund	<u>1,724,049</u>
Total	<u>\$ 2,262,261</u>

Note 9 - 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.

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(CONTINUED)**

Note 10 - Other Long Term Debt - Capital Fund Bonds

Original issue \$3,810,000, dated June 1, 2006, provides for principal and interest to be paid from a portion of the annual public housing Capital Fund allocation payments granted to the Authority each fiscal year by HUD. The bonds shall bear interest and be paid semi-annually.

	<u>Balance</u> <u>07/01/06</u>	\$	<u>Proceeds</u> <u>2007-06</u>	\$	<u>Decrease</u> <u>2007-06</u>	\$	<u>Balance</u> <u>06/30/07</u>	\$
Revenue Bonds	\$ 3,690,000	\$	0	\$	125,000	\$	3,565,000	\$

Debt service requirements for the long term debt for the next five years are as follows:

<u>Due Fiscal</u> <u>Year Ending</u>	<u>Principal</u>
2008	\$ 130,000
2009	135,000
2010	145,000
2011	150,000
2012	155,000
Thereafter	2,850,000

Note 11 - Accrued Liabilities

Accrued liabilities consists of the following:

	<u>Proprietary</u> <u>Funds</u>	<u>Component</u> <u>Unit</u>
Current Portion:		
Accrued compensated absences	\$ 91,229	\$ 0
Accrued payroll and taxes	69,987	0
Payment in lieu of taxes	<u>5</u>	<u>0</u>
Total	<u>\$ 161,221</u>	<u>\$ 0</u>

Note 12 - Trust and Deposit Liabilities

This classification consists of the following accounts:

FSS escrow accounts (Low Rent)	\$ 4,120	\$ 0
FSS escrow (Voucher)	<u>456,272</u>	<u>0</u>
Total	<u>\$ 460,392</u>	<u>\$ 0</u>

Note 13 - Deferred Revenue

This classification consists of the following accounts:

Prepaid rent	\$ 5,102	\$ 0
Other	<u>3,812</u>	<u>9</u>
Total	<u>\$ 8,914</u>	<u>\$ 9</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2007  
(CONTINUED)**

Note 14 - Administrative Fee

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

Note 15 - Allocation of Costs

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

Note 16 - Contingencies

Federal Grants

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

Note 17 - Adjustments Posted To Net Assets

The following adjustments were posted directly to equity accounts:

	Proprietary Funds	Component Unit
Transfers	\$ 255,029	\$ -255,029
Prior year adjustment to FSS escrow	788,913	0
Prior year HUD settlement	-282,513	0
Adjustment to insurance deposits	7,861	0
Adjustment to contract retention	<u>39,781</u>	<u>0</u>
Total	<u>\$ 809,071</u>	<u>\$ -255,029</u>

Note 18 - 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 19 - Economic Dependency

The Housing Authority received most of its revenue (91%) 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 FT. WAYNE  
FT. WAYNE, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2007**

<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:						
			FYE			
Public and Indian Housing*	14.850a	C-981	06/30/07	\$ 1,416,380	\$ 1,416,380	\$ 1,416,380
			FYE			
Housing Choice Voucher Program*	14.871	C-2010V	06/30/07	\$ 15,940,141	\$ 15,940,141	\$ 15,940,141
			FYE			
Public Housing - Capital Funds*	14.872	C-981	06/30/07	\$ 4,612,615	\$ 974,327	\$ 974,327
			FYE			
Housing Counseling - HUD	14.169	C-981	06/30/07	\$ 61,298	\$ 61,298	\$ 61,298
Total HUD Assistance				\$ 22,030,434	\$ 18,392,146	\$ 18,392,146
<u>Other Pass-Through Grants</u>						
<u>City of Fort Wayne</u>						
			FYE			
Housing Counseling Grant	14.169	C-981	06/30/07	\$ 20,000	\$ 19,000	\$ 19,000
Total Federal Assistance				\$ 22,050,434	\$ 18,411,146	\$ 18,411,146

\*Denotes major program.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)  
TWELVE MONTHS ENDED JUNE 30, 2007**

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 FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>ASSETS</u>	<u>Low Rent</u>	<u>Capital Funds</u>	<u>Voucher</u>
<b>CURRENT ASSETS</b>			
Cash	\$ 3,262,438	\$ 469,503	\$ 6,947,000
Accounts receivable	269,916	188,512	1,987,238
Inventory	81,481	0	0
Deferred charges	<u>201,350</u>	<u>0</u>	<u>31,063</u>
Total Current Assets	<u>\$ 3,815,185</u>	<u>\$ 658,015</u>	<u>\$ 8,965,301</u>
<b>CAPITAL ASSETS</b>			
Land, buildings and equipment	\$ 36,158,599	\$ 6,304,350	\$ 1,014,782
Less: accumulated depreciation	<u>-28,160,488</u>	<u>-189,319</u>	<u>-249,916</u>
Total Capital Assets	<u>\$ 7,998,111</u>	<u>\$ 6,115,031</u>	<u>\$ 764,866</u>
Net Assets	<u>\$ 11,813,296</u>	<u>\$ 6,773,046</u>	<u>\$ 9,730,167</u>
 <b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 1,840,280	\$ 130,483	\$ 219,741
Bonds payable	0	130,000	0
Accrued liabilities	77,702	0	41,070
Deferred revenue	<u>5,093</u>	<u>3,812</u>	<u>0</u>
Total Current Liabilities	<u>\$ 1,923,075</u>	<u>\$ 264,295</u>	<u>\$ 260,811</u>
<b>NONCURRENT LIABILITIES</b>			
Bonds payable	\$ 0	\$ 3,435,000	\$ 0
FSS escrow	<u>4,120</u>	<u>0</u>	<u>456,272</u>
Total Noncurrent Liabilities	<u>\$ 4,120</u>	<u>\$ 3,435,000</u>	<u>\$ 456,272</u>
 <b><u>NET ASSETS</u></b>			
Invested in capital assets	\$ 7,998,111	\$ 2,550,031	\$ 764,866
Restricted	0	0	6,897,549
Unrestricted	<u>1,887,990</u>	<u>523,720</u>	<u>1,350,669</u>
Total Net Assets	<u>\$ 9,886,101</u>	<u>\$ 3,073,751</u>	<u>\$ 9,013,084</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>ASSETS</u>	<u>New Construction</u>	<u>Housing Counseling</u>	<u>State and Local</u>
<b>CURRENT ASSETS</b>			
Cash	\$ 0	\$ 57,677	\$ 2,269,945
Accounts receivable	0	0	55,226
Deferred charges	<u>0</u>	<u>33</u>	<u>385</u>
Total Current Assets	<u>\$ 0</u>	<u>\$ 57,710</u>	<u>\$ 2,325,556</u>
<b>CAPITAL ASSETS</b>			
Land, structures and equipment	\$ 0	\$ 4,850	\$ 100,340
Less: accumulated depreciation	<u>0</u>	<u>-4,850</u>	<u>-35,366</u>
Total Capital Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,974</u>
Net Assets	<u>\$ 0</u>	<u>\$ 57,710</u>	<u>\$ 2,390,530</u>
 <u>LIABILITIES</u>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 0	\$ 31,057	\$ 3,118
Accrued liabilities	<u>0</u>	<u>733</u>	<u>0</u>
Total Current Liabilities	<u>\$ 0</u>	<u>\$ 31,790</u>	<u>\$ 3,118</u>
 <u>NET ASSETS</u>			
Invested in capital assets	\$ 0	\$ 0	\$ 64,974
Unrestricted	<u>0</u>	<u>25,920</u>	<u>2,322,438</u>
Total Net Assets	<u>\$ 0</u>	<u>\$ 25,920</u>	<u>\$ 2,387,412</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>ASSETS</u>	<u>Business Activities</u>
<b>CURRENT ASSETS</b>	
Cash	\$ 0
Accounts receivable	0
Deferred charges	<u>0</u>
Total Current Assets	<u>\$ 0</u>
<b>CAPITAL ASSETS</b>	
Land, buildings and equipment	\$ 0
Less: Accumulated depreciation	<u>0</u>
Total Capital Assets	<u>\$ 0</u>
Net Assets	<u>\$ 0</u>
 <b><u>LIABILITIES</u></b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 0
Deferred credits	<u>0</u>
Total Current Liabilities	<u>\$ 0</u>
 <b><u>NET ASSETS</u></b>	
Invested in capital assets	\$ 0
Unrestricted	<u>0</u>
Total Net Assets	<u><u>\$ 0</u></u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF REVENUE AND EXPENDITURES  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Income</u>	<u>Low Rent</u>	<u>Capital Funds</u>	<u>Voucher</u>
Tenant rental revenue	\$ 1,000,937	\$ 0	\$ 0
Tenant revenue - other	<u>171,572</u>	<u>0</u>	<u>0</u>
Total Rental Income	\$ 1,172,509	\$ 0	\$ 0
HUD grants - operating	1,416,380	7,965	15,940,141
Other revenue	<u>138,442</u>	<u>0</u>	<u>147</u>
Total Operating Income	<u>\$ 2,727,331</u>	<u>\$ 7,965</u>	<u>\$ 15,940,288</u>
 <u>Operating Expenses</u>			
Administration	\$ 665,289	\$ 375	\$ 1,077,046
Tenant services	491	0	0
Utilities	477,324	0	10,771
Ordinary maintenance and operation	1,369,376	7,590	33,763
General expense	271,201	0	37,173
Protective services	13,809	0	653
Housing assistance payments	0	0	11,286,834
Depreciation	<u>817,936</u>	<u>64,650</u>	<u>59,470</u>
Total Operating Expenses	<u>\$ 3,615,426</u>	<u>\$ 72,615</u>	<u>\$ 12,505,710</u>
Net Operating Income (Loss)	<u>\$ -888,095</u>	<u>\$ -64,650</u>	<u>\$ 3,434,578</u>
 <u>Nonoperating Income (Expense)</u>			
HUD grants - capital	\$ 0	\$ 966,362	\$ 0
Interest expense	0	-170,493	0
Interest income	<u>109,446</u>	<u>30,770</u>	<u>27,126</u>
Total Nonoperating Income (Expense)	<u>\$ 109,446</u>	<u>\$ 826,639</u>	<u>\$ 27,126</u>
Changes in Net Assets	<u>\$ -778,649</u>	<u>\$ 761,989</u>	<u>\$ 3,461,704</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF REVENUE AND EXPENDITURES  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Income</u>	<u>New Construction</u>	<u>Housing Counseling</u>	<u>State and Local</u>
HUD grants - operating	\$ 0	\$ 61,298	\$ 0
Other government grant	0	19,000	0
Other revenue	<u>0</u>	<u>1,000</u>	<u>10,919</u>
 Total Operating Revenue	 <u>\$ 0</u>	 <u>\$ 81,298</u>	 <u>\$ 10,919</u>
 <u>Operating Expenses</u>			
Administration	\$ 0	\$ 69,786	\$ 18,707
Ordinary maintenance and operation	0	500	16,011
Depreciation	<u>0</u>	<u>0</u>	<u>6,354</u>
 Total Operating Expenses	 <u>\$ 0</u>	 <u>\$ 70,286</u>	 <u>\$ 41,072</u>
 Net Operating Income (Loss)	 <u>\$ 0</u>	 <u>\$ 11,012</u>	 <u>\$ -30,153</u>
 <u>Nonoperating Income (Expense)</u>			
Interest income	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,364</u>
 Total Nonoperating Income (Expense)	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 50,364</u>
 Changes in Net Assets	 <u><u>\$ 0</u></u>	 <u><u>\$ 11,012</u></u>	 <u><u>\$ 20,211</u></u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF REVENUE AND EXPENDITURES  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Income</u>	<u>Business Activities</u>
Tenant rental revenue	\$ 0
Tenant revenue - other	<u>0</u>
Total Rental Revenue	\$ 0
Other revenue	0
Gain/loss on sale of fixed assets	<u>0</u>
Total Operating Income	<u>\$ 0</u>
<u>Operating Expenses</u>	
Administration	\$ 0
Ordinary maintenance and operation	0
General expense	0
Depreciation	<u>0</u>
Total Operating Expenses	<u>\$ 0</u>
Net Operating Income (Loss)	<u>\$ 0</u>
<u>Nonoperating Income (Expense)</u>	
Interest income	<u>\$ 0</u>
Total Nonoperating Income (Expense)	<u>\$ 0</u>
Changes in Net Assets	<u><u>\$ 0</u></u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CHANGES IN NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Invested in Capital Assets</u>	<u>Low Rent</u>	<u>Capital Funds</u>	<u>Voucher</u>
Balance at June 30, 2006	\$ 8,514,415	\$ 1,524,507	\$ 462,932
Current year net income (loss)	<u>-516,304</u>	<u>1,025,524</u>	<u>301,934</u>
Balance at June 30, 2007	<u>\$ 7,998,111</u>	<u>\$ 2,550,031</u>	<u>\$ 764,866</u>
 <u>Restricted</u>			
Balance at June 30, 2006	\$ 0	\$ 0	\$ 0
Current year net income (loss)	0	0	3,047,964
Transfer	<u>0</u>	<u>0</u>	<u>3,849,585</u>
Balance at June 30, 2007	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,897,549</u>
 <u>Unrestricted</u>			
Balance at June 30, 2006	\$ 2,102,693	\$ 787,255	\$ 4,289,642
Current year net income (loss)	-262,345	-263,535	111,806
Transfer	0	0	-3,557,179
Prior period adjustments	<u>47,642</u>	<u>0</u>	<u>506,400</u>
Balance at June 30, 2007	<u>\$ 1,887,990</u>	<u>\$ 523,720</u>	<u>\$ 1,350,669</u>
Total in Net Assets	<u>\$ 9,886,101</u>	<u>\$ 3,073,751</u>	<u>\$ 9,013,084</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CHANGES IN NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Invested in Capital Assets</u>	<u>New Construction</u>	<u>Housing Counseling</u>	<u>State and Local</u>
Balance at June 30, 2006	\$ 0	\$ 0	\$ 70,307
Current year net income (loss)	<u>0</u>	<u>0</u>	<u>-5,333</u>
Balance at June 30, 2007	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,974</u>
 <u>Unrestricted</u>			
Balance at June 30, 2006	\$ 292,406	\$ 14,908	\$ 972,123
Transfer	-292,406	0	1,324,771
Current year net income (loss)	<u>0</u>	<u>11,012</u>	<u>25,544</u>
Balance at June 30, 2007	<u>\$ 0</u>	<u>\$ 25,920</u>	<u>\$ 2,322,438</u>
Total Net Assets	<u><u>\$ 0</u></u>	<u><u>\$ 25,920</u></u>	<u><u>\$ 2,387,412</u></u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CHANGES IN NET ASSETS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Invested in Capital Assets</u>	<u>Business Activities</u>
Balance at June 30, 2006	\$ 0
Current year net income (loss)	<u>0</u>
Balance at June 30, 2007	<u>\$ 0</u>
 <u>Unrestricted</u>	
Balance at June 30, 2006	\$ 1,069,742
Transfer	-1,069,742
Current year net income (loss)	<u>0</u>
Balance at June 30, 2007	<u>\$ 0</u>
Total Net Assets	<u>\$ 0</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Activities</u>	<u>Low Rent</u>	<u>Capital Funds</u>	<u>Voucher</u>
Operating grants	\$ 1,416,380	\$ 7,965	\$ 15,940,141
Tenant revenue	1,159,479	0	0
Other revenue	138,442	0	147
Housing assistance payments	0	0	-11,286,834
Payments to employees	-768,219	-375	-635,183
Payments to suppliers and contractors	<u>-2,001,457</u>	<u>-46,972</u>	<u>-99,680</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -55,375</u>	<u>\$ -39,382</u>	<u>\$ 3,918,591</u>
 <u>Investing Activities</u>			
Investments (purchased) redeemed	\$ 555,370	\$ 772,420	\$ 1,756,014
Interest income	<u>109,446</u>	<u>30,770</u>	<u>27,126</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 664,816</u>	<u>\$ 803,190</u>	<u>\$ 1,783,140</u>
 <u>Capital and Related Financing Activities</u>			
HUD grants - capital	\$ 0	\$ 966,362	\$ 0
Additions to fixed assets	-301,632	-965,174	-361,404
Retirement of debt	0	-125,000	0
Interest expense	<u>0</u>	<u>-170,493</u>	<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ -301,632</u>	<u>\$ -294,305</u>	<u>\$ -361,404</u>
Net Change in Cash	\$ 307,809	\$ 469,503	\$ 5,340,327
Cash Balance at June 30, 2006	<u>2,954,629</u>	<u>0</u>	<u>1,606,673</u>
Cash Balance at June 30, 2007	<u>\$ 3,262,438</u>	<u>\$ 469,503</u>	<u>\$ 6,947,000</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

Reconciliation of Operating Income (Loss) to Net Cash

<u>Provided (Used) by Operating Activities</u>	<u>Low Rent</u>	<u>Capital Funds</u>	<u>Voucher</u>
Net operating income (loss)	\$ -888,095	\$ -64,650	\$ 3,434,578
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Depreciation	817,936	64,650	59,470
Adjustments to net assets	47,642	0	798,806
(Increase) decrease in accounts receivable	-71,508	0	73,679
(Increase) decrease in deferred charges	-7,264	0	15,828
(Increase) decrease in inventory	7,524	0	0
Increase (decrease) in accounts payable	27,714	-39,382	190,556
Increase (decrease) in accrued liabilities	7,464	0	3,026
Increase (decrease) in deferred revenues	2,966	0	0
Increase (decrease) in other liabilities	<u>246</u>	<u>0</u>	<u>-657,352</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -55,375</u>	<u>\$ -39,382</u>	<u>\$ 3,918,591</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Activities</u>	<u>New Construction</u>	<u>Housing Counseling</u>	<u>State and Local</u>
Operating grants	\$ 0	\$ 80,298	\$ 0
Other revenue	0	1,000	10,919
Payments to employees	0	-46,659	962
Payments to suppliers and contractors	<u>-292,406</u>	<u>-22,931</u>	<u>1,296,716</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -292,406</u>	<u>\$ 11,708</u>	<u>\$ 1,308,597</u>
 <u>Investing Activities</u>			
Investments (purchased) redeemed	\$ 292,406	\$ 45,969	\$ 910,984
Interest income	<u>0</u>	<u>0</u>	<u>50,364</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 292,406</u>	<u>\$ 45,969</u>	<u>\$ 961,348</u>
Net Change in Cash	\$ 0	\$ 57,677	\$ 2,269,945
Cash Balance at June 30, 2006	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance at June 30, 2007	<u><u>\$ 0</u></u>	<u><u>\$ 57,677</u></u>	<u><u>\$ 2,269,945</u></u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Reconciliation of Operating Income (Loss) to Net Cash</u> <u>Provided (Used) by Operating Activities</u>	New <u>Construction</u>	Housing <u>Counseling</u>	State <u>and Local</u>
Net operating income (loss)	\$ 0	\$ 11,012	\$ -30,153
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities			
Depreciation	0	0	6,354
Adjustment to net assets	-292,406	0	1,323,750
(Increase) decrease in accounts receivable	0	0	5,913
(Increase) decrease in deferred charges	0	209	-385
Increase (decrease) in accounts payable	0	603	3,118
Increase (decrease) in accrued liabilities	<u>0</u>	<u>-116</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -292,406</u>	<u>\$ 11,708</u>	<u>\$ 1,308,597</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Operating Activities</u>	<u>Business Activities</u>
Tenant rental revenue	\$ 0
Other revenue	0
Payments to employees	-537
Payments to suppliers and contractors	<u>-1,060,718</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -1,061,255</u>
 <u>Investing Activities</u>	
Investments (purchased) redeemed	<u>\$ 1,061,255</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 1,061,255</u>
Net Increase (Decrease) in Cash	\$ 0
Cash Balance at June 30, 2006	<u>0</u>
Cash Balance at June 30, 2007	<u>\$ 0</u>

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATEMENT OF CASH FLOWS  
TWELVE MONTHS ENDED JUNE 30, 2007**

<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>	<u>Business Activities</u>
Net operating income (loss)	\$ 0
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	0
Adjustment to net assets	-1,069,742
 (Increase) decrease in accounts receivables	 11,382
(Increase) decrease in deferred charges	0
 Increase (decrease) in accounts payable	 -2,358
Increase (decrease) in accrued liabilities	-537
Increase (decrease) in deferred revenues	<u>0</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ -1,061,255</u>

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

433 WEST PERSHING ROAD

DECATUR, ILLINOIS 62526

(217) 872-1908

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

Board of Commissioners  
Housing Authority of the City of Ft. Wayne  
Ft. Wayne, Indiana

I have audited the financial statements of the governmental activities and the aggregate discretely presented component unit of Housing Authority of the City of Ft. Wayne as of and for the year ended June 30, 2007, which collectively comprise the Housing Authority of the City of Ft. Wayne's basic financial statements and have issued my report thereon dated February 14, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority of the City of Ft. Wayne's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority of the City of Ft. Wayne's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority of the City of Ft. Wayne's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority of the City of Ft. Wayne's internal control.

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority of the City of Ft. Wayne's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express an opinion. The results of my tests disclosed certain instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as Finding 2007-01.

I noted certain matters that we reported to management of Housing Authority of the City of Ft. Wayne, in a separate letter dated February 14, 2008.

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

Decatur, Illinois  
February 14, 2008

  
Certified Public Accountant

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

433 WEST PERSHING ROAD

DECATUR, ILLINOIS 62526

(217) 872-1908

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

Board of Commissioners  
Housing Authority of the City of Ft. Wayne  
Ft. Wayne, Indiana

### Compliance

I have audited the compliance of Housing Authority of the City of Ft. Wayne with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Housing Authority of the City of Ft. Wayne's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Housing Authority of the City of Ft. Wayne's management. My responsibility is to express an opinion on Housing Authority of the City of Ft. Wayne's compliance based on my audit.

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

In my opinion, Housing Authority of the City of Ft. Wayne complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2007-1

### Internal Control Over Compliance

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

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. I consider the deficiencies in the internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, I consider items 2007-1 to be a material weakness.

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

In addition, I noticed other matters involving the internal control and its operation that I have reported to management of Housing Authority of the City of Ft. Wayne in a separate letter dated February 14, 2008.

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

Decatur, Illinois  
February 14, 2008

  
Certified Public Accountant

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY  
FOR THE YEAR ENDED JUNE 30, 2007**

**Section I - Summary of Auditor's Results**

Low Risk Auditee  yes  no

*Financial Statements*

Type of auditor's report: Unqualified

\* Material weakness(es) identified?  yes  no

\* Reportable condition(s) identified that are not  
considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted  yes  no

*Federal Awards*

Internal control over major programs:

\* Material weakness(es) identified?  yes  no

\* Reportable condition(s) identified that are not  
considered to be material weaknesses?  yes  none reported

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

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

**Major Programs:** (Threshold \$300,000)

**CFDA Number(s)**

Public and Indian Housing	14.850a
Housing Choice Voucher Program	14.871
Capital Fund Program	14.872

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended June 30, 2006 contained no findings.

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**FINDINGS, RECOMMENDATIONS AND REPLIES**

There was one audit finding discussed with Maynard Scales, Executive Director and Carolyn Nichter, Director of Finance, during the course of the audit and at an exit conference held January 12, 2007.

**Finding 2007-1: Incomplete Section 8 Participant Files**

*Condition and Criteria:* HUD regulations require that all participant files contain adequate documentation to support a participant's eligibility and the accurate calculation of Housing Assistance Payments (HAP). During my test of participant eligibility (22 files examined) I noted incomplete documentation and incorrect calculations of HAP in six (6) of those files. Additionally it was noted that four (4) files examined did not contain properly completed Section 214 declarations for all household members.

*Effect:* It cannot be determined if the Section 8 participants were eligible and their HAP assistance was calculated in accordance with HUD regulations.

*Cause:* Adequate quality control procedures had not been implemented to assure that only eligible participants were provided Housing Assistance. The procedures in place did not provide adequate assurance that correct data was collected and used in accurate assistance payment calculations for each eligible participant.

*Auditor's Recommendation:* I recommend that quality control procedures be reviewed and revised to ensure that all required documentation is maintained in each file to support eligibility. Procedures should be developed to ensure that all intake staff are familiar with the policies established in the Housing Authority's Section 8 Admin Plan and that they are trained in the proper procedures for applying those policies and HUD regulations.

*Grantee Response:* The Section 8 Department has undergone many staffing changes during the past several months. It had previously been determined that the current staff would receive more training in applying all policies contained in our Section 8 Admin plan and HUD regulations. The training was conducted subsequent to the end of the fiscal year (November 26, 2007). Additional quality assurance reviews will be conducted by the Section Manager to determine that the policies are being adhered to in the future. Effective April 1, 2008, the required number of quality reviews of participant files will increase from 7% to 10%.

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES  
FOR THE YEAR ENDED JUNE 30, 2007**

<u>Low Rent</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
GF - JP Morgan Chase	1111.01	\$ 230.00		n/a
Accounts payable - vendor	2111		\$ 132.00	n/a
Retained earnings	2806	2,054.00		n/a
Dwelling rent	3110		2,054.00	n/a
Utility reimbursements	3110.01	132.00		n/a
Out of balance	----		230.00	n/a
(To post transactions that did not properly update in general ledger at year end)				
(2)				
Salary expense	4110.01	\$ 537.00		2806
Accrued compensated absences	2135		\$ 537.00	2135
Accrued compensated absences	2135	1.00		2135
Salary expense	4110.01		1.00	2806
(To correct JV61, JV79, JV71 and JV88)				
(3)				
CFP bond financing	1400.20	\$ 61,085.04		1400.2
Retainage	2112	21,304.17	\$ 61,085.04	2112
Open MOD costs	1400.02		21,304.17	1400.2
(To record prior year JV's to retainage liability)				
(4)				
Accrued PERF	2117.11	\$ 15,427.03		2117.11
Fringe benefit expense	4540.01		\$ 15,427.03	2806
(To post May payment and leave at actual accrual at year end)				
(5)				
Other operating income	3690	\$ 2,060.08		2806
GF- JP Morgan Chase	1111.01		\$ 2,060.08	1111.01
(To reverse JV 1375)				
(6)				
Data process expense	4190.02	\$ 7,773.22		2806
Computer support prepaid	1290.01		\$ 7,773.22	1290.01
(To accrue to actual)				

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES  
FOR THE YEAR ENDED JUNE 30, 2007  
(CONTINUED)**

<u>Low Rent (Continued)</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(7)				
Prepaid insurance	1211	\$ 3,694.02		1211
Insurance expense	1405	726.69		2806
Interfund to Voucher	----		\$ 4,420.71	----
(To properly accrue insurance that was misallocated to Voucher)				
(8)				
Prepaid insurance	1211.08	\$ 121,594.83		1211
Prepaid dues/subscriptions	1290.02		\$ 121,594.83	1290.02
(To properly accrue check written to Housing Insurance Service that was classified incorrectly as prepaid dues)				
(9)				
Retained earnings	2806	\$ 883,517.05		2806
Accumulated depreciation	1405		\$ 855,966.00	1405
Claims Res. Enterprises	1129.08		4,884.48	1129.08
Insurance deposits	1212		22,666.57	1212
(To post prior year adjustments and correct balance to actual)				
(10)				
Insurance deposits	1212	\$ 7,862.06		1212
Retained earnings	2806		\$ 7,862.06	2806
(To adjust insurance deposits to actual)				
(11)				
Insurance expense	4510	\$ 14,217.91		2806
Prepaid insurance	1211		\$ 14,217.91	1211
(To adjust prepaid insurance to actual)				
(12)				
Contract retention	2112.20	\$ 39,780.87		2112
Retained earnings	2806		\$ 39,780.87	2806
(To adjust to actual)				

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES  
FOR THE YEAR ENDED JUNE 30, 2007  
(CONTINUED)**

<u>Voucher</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Retained earnings	2806	\$3,287,714.87		2806
HUD PHA contributions	3401.03		\$3,287,714.87	2806
(To adjust subsidy to actual)				
(2)				
Dwelling rental	3110	\$ 419.00		2806
Accounts receivable - tenants	1122		\$ 419.00	1122
(To adjust accounts to actual)				
(3)				
Investments NCB	1162.02	\$ 9,008.27		1162.02
Interest - operating reserves	3300		\$ 9,008.27	2806
(To record six months of interest on National City Bank CD)				
(4)				
Accrued PERF	2117.11	\$ 10,632.12		2117.11
Fringe benefit expense	4540.01		\$ 10,632.12	2806
(To properly allocate check #272 May PERF payments)				
(5)				
Interfund from Low Rent	----	\$ 4,420.71		----
Prepaid insurance	1211		\$ 3,694.02	1211
Insurance expense	4510.01		726.69	2806
(To correct misallocation of insurance on Voucher books)				
(6)				
Insurance expense	4510.01	\$ 168.62		2806
Prepaid insurance	1211		\$ 168.62	1211
(To remove 2008 fiscal year payment that was in 2007 prepaid schedule)				

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES  
FOR THE YEAR ENDED JUNE 30, 2007  
(CONTINUED)**

<u>Capital Funds</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Invested in FA - HUD cont	2802	\$ 787,848.15		2802
Unreserved surplus	2806	932,146.61		2806
Chase	1162.01		\$ 6,842,334.75	1162.01
Uncompleted MOD	----	4,918,915.67		----
Accumulated depreciation	1405		124,669.00	1405
Accounts payable - Low Rent			97,043.44	
Bonds payable	2695.01	120,000.00		2695.01
Contract retention	2112		79,162.75	2112
Deferred revenues			3,812.10	2290
Cash	1111.01	193,258.56		1111.01
Accounts receivable - HUD		188,512.09		
Accounts receivable - Low Rent		6,340.96		
(To post prior year adjusting journal entries not posted by PHA)				
(2)				
Interest income	3610	\$ 371.61		2806
Open MOD	1400.02		\$ 371.61	1400.02
(To correct posting)				
(3)				
	1164		\$ 37.35	1164
CFP subsidy	501-05/06		295,492.50	2806
Bond	3400.01	\$ 208,663.85		2806
Surplus	2802	170,492.50		2802
	2806		439,871.56	2806
Bonds payable	2695.01		120,000.00	2695.01
Interest income	3610	37.35		2806
Fixed assets	1400.02	245,000.00		1400.02
Fixed assets	1400.20	231,207.71		1400.20
(4)				
Fixed assets	1400.02		\$ 9,930.50	1400.02
	3690	\$ 9,930.50		2806
(To correct JV436)				
(5)				
Open MOD	1400.02	\$ 39,780.87		1400.02
Contract retention	2112		\$ 39,780.87	2112

**HOUSING AUTHORITY OF THE CITY OF FT. WAYNE  
FT. WAYNE, INDIANA**

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES  
FOR THE YEAR ENDED JUNE 30, 2007  
(CONTINUED)**

<u>Housing Counseling</u>	Audit <u>Account Number</u>	<u>Debit</u>	<u>Credit</u>	Posting <u>Account Number</u>
(1)				
Acc Perf Liab	2117.11	\$ 824.87		2117.11
Fringe benefit	4540.01		\$ 824.87	2806
(To properly allocate May payment of Perf)				
 <u>State and Local</u>				
(1)				
Chase CD	1162.06	\$ 24,093.02		1162.06
Interest income	3610		\$ 24,093.02	2806
(To adjust CD to balance @ 06/30/07)				

PHA: IN003 FYED: 06/30/2007

Line Item No.	Account Description	Business Activities	Housing Counseling Assistance Program	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local
111	Cash - Unrestricted	\$0	\$57,677	\$0	\$3,191,383	\$456,272	\$941,925	\$2,269,945
115	Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$3,858	\$0	\$0	\$0
113	Cash - Other Restricted	\$0	\$0	\$0	\$4,120	\$6,897,549	\$0	\$0
114	Cash - Tenant Security Deposits	\$0	\$0	\$0	\$63,077	\$0	\$0	\$0
100	Total Cash	\$0	\$57,677	\$0	\$3,262,438	\$7,353,821	\$941,925	\$2,269,945
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$188,512	\$0
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$125,135	\$359,908	\$0	\$0
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$25,071	\$0	\$0	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$-477	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$0	\$0	\$149,729	\$359,908	\$188,512	\$0
142	Prepaid Expenses and Other Assets	\$0	\$33	\$0	\$201,350	\$31,063	\$0	\$385
143	Inventories	\$0	\$0	\$0	\$83,144	\$0	\$0	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$-1,663	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$0	\$0	\$120,187	\$1,627,330	\$0	\$55,226
150	Total Current Assets	\$0	\$57,710	\$0	\$3,815,185	\$9,372,122	\$1,130,437	\$2,325,556
161	Land	\$0	\$0	\$0	\$1,179,001	\$0	\$0	\$46,087
162	Buildings	\$0	\$0	\$0	\$32,017,821	\$332,661	\$0	\$10,000
163	Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$655,348	\$0	\$127,128	\$0
164	Furniture, Equipment & Machinery - Administration	\$0	\$4,850	\$0	\$2,306,429	\$682,121	\$34,493	\$44,253
166	Accumulated Depreciation	\$0	\$-4,850	\$0	\$-28,160,488	\$-249,916	\$-189,319	\$-35,366
167	Construction In Progress	\$0	\$0	\$0	\$0	\$0	\$6,142,729	\$0
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$7,998,111	\$764,866	\$6,115,031	\$64,974
180	Total Non-Current Assets	\$0	\$0	\$0	\$7,998,111	\$764,866	\$6,115,031	\$64,974
190	Total Assets	\$0	\$57,710	\$0	\$11,813,296	\$10,136,988	\$7,245,468	\$2,390,530

PHA: IN003 FYED: 06/30/2007

Line Item No.	Account Description	Component Units	Total
111	Cash - Unrestricted	\$71,650	\$6,988,852
115	Cash - Restricted for Payment of Current Liabilities	\$0	\$3,858
113	Cash - Other Restricted	\$0	\$6,901,669
114	Cash - Tenant Security Deposits	\$0	\$63,077
100	Total Cash	\$71,650	\$13,957,456
122	Accounts Receivable - HUD Other Projects	\$0	\$188,512
125	Accounts Receivable - Miscellaneous	\$153,245	\$638,288
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$25,071
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$-477
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$153,245	\$851,394
142	Prepaid Expenses and Other Assets	\$210	\$233,041
143	Inventories	\$0	\$83,144
143.1	Allowance for Obsolete Inventories	\$0	\$-1,663
144	Interprogram Due From	\$0	\$1,802,743
150	Total Current Assets	\$225,105	\$16,926,115
161	Land	\$7,424	\$1,232,512
162	Buildings	\$66,815	\$32,427,297
163	Furniture, Equipment & Machinery - Dwellings	\$0	\$782,476
164	Furniture, Equipment & Machinery - Administration	\$0	\$3,072,146
166	Accumulated Depreciation	\$-15,869	\$-28,655,808
167	Construction In Progress	\$0	\$6,142,729
160	Total Fixed Assets, Net of Accumulated Depreciation	\$58,370	\$15,001,352
180	Total Non-Current Assets	\$58,370	\$15,001,352
190	Total Assets	\$283,475	\$31,927,467

311	Bank Overdraft	\$0	\$0	\$0	\$0	\$406,821	\$472,422	\$0
312	Accounts Payable <= 90 Days	\$0	\$217	\$0	\$147,307	\$202,518	\$0	\$2,156
321	Accrued Wage/Payroll Taxes Payable	\$0	\$2,088	\$0	\$37,583	\$29,354	\$0	\$962
322	Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$62,290	\$28,939	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$5	\$0	\$0	\$0
341	Tenant Security Deposits	\$0	\$0	\$0	\$63,077	\$0	\$0	\$0
342	Deferred Revenues	\$0	\$0	\$0	\$5,093	\$0	\$3,812	\$0
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$130,000	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$3,858	\$0	\$39,781	\$0
347	Interprogram Due To	\$0	\$29,485	\$0	\$1,603,862	\$0	\$90,702	\$0
310	Total Current Liabilities	\$0	\$31,790	\$0	\$1,923,075	\$667,632	\$736,717	\$3,118
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$3,435,000	\$0
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$4,120	\$456,272	\$0	\$0
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$4,120	\$456,272	\$3,435,000	\$0
300	Total Liabilities	\$0	\$31,790	\$0	\$1,927,195	\$1,123,904	\$4,171,717	\$3,118
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$0	\$0	\$0	\$7,998,111	\$764,866	\$2,550,031	\$64,974
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0	\$6,897,549	\$0	\$0
512.1	Unrestricted Net Assets	\$0	\$25,920	\$0	\$1,887,990	\$1,350,669	\$523,720	\$2,322,438
513	Total Equity/Net Assets	\$0	\$25,920	\$0	\$9,886,101	\$9,013,084	\$3,073,751	\$2,387,412
600	Total Liabilities and Equity/Net Assets	\$0	\$57,710	\$0	\$11,813,296	\$10,136,988	\$7,245,468	\$2,390,530

311	Bank Overdraft	\$0	\$879,243
312	Accounts Payable <= 90 Days	\$54	\$352,252
321	Accrued Wage/Payroll Taxes Payable	\$0	\$69,987
322	Accrued Compensated Absences - Current Portion	\$0	\$91,229
333	Accounts Payable - Other Government	\$0	\$5
341	Tenant Security Deposits	\$550	\$63,627
342	Deferred Revenues	\$9	\$8,914
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$130,000
345	Other Current Liabilities	\$0	\$43,639
347	Interprogram Due To	\$78,694	\$1,802,743
310	Total Current Liabilities	\$79,307	\$3,441,639
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$3,435,000
353	Noncurrent Liabilities - Other	\$0	\$460,392
350	Total Noncurrent Liabilities	\$0	\$3,895,392
300	Total Liabilities	\$79,307	\$7,337,031
508	Total Contributed Capital	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$58,370	\$11,436,352
511	Total Reserved Fund Balance	\$0	\$0
511.1	Restricted Net Assets	\$0	\$6,897,549
512.1	Unrestricted Net Assets	\$145,798	\$6,256,535
513	Total Equity/Net Assets	\$204,168	\$24,590,436
600	Total Liabilities and Equity/Net Assets	\$283,475	\$31,927,467

703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$1,000,937	\$0	\$0	\$0
704	Tenant Revenue - Other	\$0	\$0	\$0	\$171,572	\$0	\$0	\$0
705	Total Tenant Revenue	\$0	\$0	\$0	\$1,172,509	\$0	\$0	\$0
706	HUD PHA Operating Grants	\$0	\$61,298	\$0	\$1,416,380	\$15,940,141	\$7,965	\$0
706.1	Capital Grants	\$0	\$0	\$0	\$0	\$0	\$966,362	\$0
708	Other Government Grants	\$0	\$19,000	\$0	\$0	\$0	\$0	\$0
711	Investment Income - Unrestricted	\$0	\$0	\$0	\$109,446	\$27,126	\$30,770	\$50,364
715	Other Revenue	\$0	\$1,000	\$0	\$138,442	\$147	\$0	\$10,919
700	Total Revenue	\$0	\$81,298	\$0	\$2,836,777	\$15,967,414	\$1,005,097	\$61,283

703	Net Tenant Rental Revenue	\$6,600	\$1,007,537
704	Tenant Revenue - Other	\$48	\$171,620
705	Total Tenant Revenue	\$6,648	\$1,179,157
706	HUD PHA Operating Grants	\$0	\$17,425,784
706.1	Capital Grants	\$0	\$966,362
708	Other Government Grants	\$0	\$19,000
711	Investment Income - Unrestricted	\$0	\$217,706
715	Other Revenue	\$153,845	\$304,353
700	Total Revenue	\$160,493	\$20,112,362

911	Administrative Salaries	\$0	\$47,898	\$0	\$347,513	\$655,432	\$375	\$0
912	Auditing Fees	\$0	\$255	\$0	\$6,800	\$8,090	\$0	\$490
915	Employee Benefit Contributions - Administrative	\$0	\$15,080	\$0	\$138,423	\$248,974	\$0	\$0
916	Other Operating - Administrative	\$0	\$6,553	\$0	\$172,553	\$164,550	\$0	\$18,217
924	Tenant Services - Other	\$0	\$0	\$0	\$491	\$0	\$0	\$0
931	Water	\$0	\$0	\$0	\$156,799	\$1,609	\$0	\$0
932	Electricity	\$0	\$0	\$0	\$198,778	\$8,316	\$0	\$0
933	Gas	\$0	\$0	\$0	\$121,747	\$846	\$0	\$0
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$450,345	\$0	\$0	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$0	\$280,669	\$4,333	\$0	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$500	\$0	\$407,588	\$29,430	\$7,590	\$16,011
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$230,774	\$0	\$0	\$0
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$13,809	\$653	\$0	\$0
961	Insurance Premiums	\$0	\$0	\$0	\$153,718	\$31,867	\$0	\$0
962	Other General Expenses	\$0	\$0	\$0	\$13,229	\$5,306	\$0	\$0
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$104,254	\$0	\$0	\$0
967	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$170,493	\$0
969	Total Operating Expenses	\$0	\$70,286	\$0	\$2,797,490	\$1,159,406	\$178,458	\$34,718
970	Excess Operating Revenue over Operating Expenses		\$11,012	\$0	\$39,287	\$14,808,008	\$826,639	\$26,565
973	Housing Assistance Payments	\$0	\$0	\$0	\$0	\$11,286,834	\$0	\$0
974	Depreciation Expense	\$0	\$0	\$0	\$817,936	\$59,470	\$64,650	\$6,354
900	Total Expenses	\$0	\$70,286	\$0	\$3,615,426	\$12,505,710	\$243,108	\$41,072
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	\$11,012	\$0	\$-778,649	\$3,461,704	\$761,989	\$20,211

911	Administrative Salaries	\$0	\$1,051,218
912	Auditing Fees	\$0	\$15,635
915	Employee Benefit Contributions - Administrative	\$0	\$402,477
916	Other Operating - Administrative	\$1,017	\$362,890
924	Tenant Services - Other	\$0	\$491
931	Water	\$0	\$158,408
932	Electricity	\$0	\$207,094
933	Gas	\$0	\$122,593
941	Ordinary Maintenance and Operations - Labor	\$0	\$450,345
942	Ordinary Maintenance and Operations - Materials and Other	\$35	\$285,037
943	Ordinary Maintenance and Operations - Contract Costs	\$2,111	\$463,230
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$230,774
952	Protective Services - Other Contract Costs	\$0	\$14,462
961	Insurance Premiums	\$540	\$186,125
962	Other General Expenses	\$1,219	\$19,754
964	Bad Debt - Tenant Rents	\$0	\$104,254
967	Interest Expense	\$0	\$170,493
969	Total Operating Expenses	\$4,922	\$4,245,280
970	Excess Operating Revenue over Operating Expenses	\$155,571	\$15,867,082
973	Housing Assistance Payments	\$0	\$11,286,834
974	Depreciation Expense	\$1,671	\$950,081
900	Total Expenses	\$6,593	\$16,482,195
1010	Total Other Financing Sources (Uses)	\$0	\$0
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$153,900	\$3,630,167

1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$1,069,742	\$14,908	\$292,406	\$10,617,108	\$4,752,574	\$2,311,762	\$1,042,430
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$-1,069,742	\$0	\$-292,406	\$47,642	\$798,806	\$0	\$1,324,771
1120	Unit Months Available	0	0	0	8,388	34,440	0	0
1121	Number of Unit Months Leased	0	0	0	8,165	26,750	0	0
1117	Administrative Fee Equity	\$0	\$0	\$0	\$0	\$2,115,535	\$0	\$0
1118	Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$6,897,549	\$0	\$0

1102	Debt Principal Payments - Enterprise Funds	\$0	\$0
1103	Beginning Equity	\$305,297	\$20,406,227
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$-255,029	\$554,042
1120	Unit Months Available	12	42,840
1121	Number of Unit Months Leased	12	34,927
1117	Administrative Fee Equity	\$0	\$2,115,535
1118	Housing Assistance Payments Equity	\$0	\$6,897,549