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May 19, 2009

Board of Commissioners
Housing Authority of the
City of Crawfordsville
P.O. Box 421
Crawfordsville, IN 47933

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 Crawfordsville, 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 32 contains the status of one prior audit finding.

STATE BOARD OF ACCOUNTS

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

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

TWELVE MONTHS ENDED JUNE 30, 2007

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
CRAWFORDSVILLE, 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 Crawfordsville
Crawfordsville, Indiana

I have audited the accompanying financial statements of Housing Authority of the City of Crawfordsville, 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 Crawfordsville, 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 November 1, 2007, on my consideration of the Housing Authority of the City of Crawfordsville'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 7, 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 Crawfordsville, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Housing Authority of the City of Crawfordsville. 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 Crawfordsville. 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
November 1, 2007


Certified Public Accountant

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2007**

Management's Discussion and Analysis

As management of the Housing Authority of the City of Crawfordsville, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the City of Crawfordsville, 220 E. Main Street, Crawfordsville, Indiana 47933, (765) 362-2407.

Overview of the Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Assets – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses, and Changes in Fund Net Assets reports the Authority's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows – reports the Authority's cash flows from operating, investing, capital and non-capital activities.
- Comparison of budget vs. actual – reports the Authority's actual operating revenues and expenses versus the budgeted amounts.

Future Events (New Business)

There are no future events planned by the Authority during the fiscal year ending June 30, 2008 that will significantly affect the Authority's Net Assets either positively or negatively.

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2007**

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Condensed Comparative Financial Statements

Analysis of Entity Wide Net Assets (Statement of Net Assets)

Total Assets for FYE 2006 was \$671,132 and at FYE 2007 the amount was \$826,510. This represents a net increase of \$155,378.

Cash decreased by \$71,291 or 84%. Cash decreased because the Authority had more funds invested at year end.

Other Current Assets increased by \$231,646 or 55%. The Authority's investments increased.

Capital Assets decreased by \$4,885. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities decreased \$9,361. The major cause of this was the reclassification of deferred fraud recovery from deferred revenue to an allowance for doubtful accounts.

Long Term Liabilities increased by \$3,216. The Authority increased its FSS escrow liability.

The table below illustrates our analysis:

	<u>2007</u>	<u>2006</u>	<u>Variances</u>	<u>Percentage Change</u>
Cash	13,807	85,098	(71,291)	-84%
Other Current Assets	655,265	423,619	231,646	55%
Capital Assets	<u>157,530</u>	<u>162,415</u>	<u>(4,885)</u>	<u>-3%</u>
Total Assets	<u>826,602</u>	<u>671,132</u>	<u>155,470</u>	<u>23%</u>
Current Liabilities	3,751	13,112	(9,361)	-71%
Long Term Liabilities	<u>12,184</u>	<u>8,968</u>	<u>3,216</u>	<u>36%</u>
Total Liabilities	<u>15,935</u>	<u>22,080</u>	<u>(6,145)</u>	<u>-28%</u>
Net Invested in Capital Assets	157,530	162,415	(4,885)	-3%
Restricted Net Assets	0	0	0	0%
Unrestricted Net Assets	<u>653,137</u>	<u>486,637</u>	<u>166,500</u>	<u>34%</u>
Total Net Assets	<u>810,667</u>	<u>649,052</u>	<u>161,615</u>	<u>25%</u>

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2007**

Analysis of Entity Wide Revenues (Statement of Activities)

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2007 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Housing Choice Vouchers	\$2,140,007
Business Activities	\$5,913
Total	\$2,145,920

Total revenues for Fiscal Year Ending June 30, 2006 were \$2,035,244 as compared to the total revenues for Fiscal Year Ending June 30, 2007 of \$2,145,920. Comparatively, Fiscal Year Ending 2007 revenues exceeded Fiscal Year Ending 2006 revenues by \$110,676.

	<u>2007</u>	<u>2006</u>	<u>Variance</u>	<u>Percentage Change</u>
Total Tenant Revenue	5,482	5,680	(198)	-4%
HUD Operating Grants	2,124,413	2,022,840	101,573	5%
Investment Income	17,798	4,913	12,885	262%
Fraud Recovery	861	3,722	(2,861)	-77%
Other Revenue	0	31	(31)	-100%
Gain/Loss on Sale of Fixed Assets	(2,634)	(1,942)	(692)	36%
Total Revenue	<u>2,145,920</u>	<u>2,035,244</u>	<u>110,676</u>	<u>5%</u>

Investment Income increased due to more funds being invested and the banks paying a higher rate of interest on those funds.

Fraud Recovery revenue was much lower in the current year.

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2007**

Analysis of Entity Wide Expenditures

Total Expenditures for Fiscal Year Ending June 30, 2006 were \$1,833,119 as compared to \$1,984,485 of total expenditures for Fiscal Year Ending June 30, 2007. Comparatively, Fiscal Year Ending 2007 expenditures exceeded Fiscal Year Ending 2006 expenditures by \$151,366. Changes by major expense category will be presented below.

Administrative expenditures increased by \$7,675 or 4%. This increase was due to an increase in employee benefit cost.

Utilities increased by \$134 or 4%.

Maintenance expenditures increased by \$3,054 or 60%. This increase related to renovations needed to the Authority owned units.

Housing Assistance Payments increased by \$131,648 or 8%. The number of unit months that assistance was paid increased during 2007.

The table below illustrates our analysis:

	<u>2007</u>	<u>2006</u>	<u>Variance</u>	<u>Percentage Change</u>
Administrative	184,603	176,928	7,675	4%
Utilities	3,554	3,420	134	4%
Maintenance	8,162	5,108	3,054	60%
General and Interest	11,950	2,493	9,457	379%
Housing Assistance Payments	1,770,638	1,638,990	131,648	8%
Depreciation Expense	5,578	6,180	(602)	-10%
Total Expenses	<u><u>1,984,485</u></u>	<u><u>1,833,119</u></u>	<u><u>151,366</u></u>	<u><u>8%</u></u>

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING JUNE 30, 2007**

Budgetary Analysis

Program budgets for the Section 8 Programs are approved by the U.S. Department of Housing and Urban Development.

ANALYSIS OF CAPITAL ASSET ACTIVITY

Buildings increased by \$3,717 or 2%.

Furniture, Equipment & Machinery – Dwelling increased by a net amount \$5,214. The increase was because improvements were reclassified.

Furniture, Equipment & Machinery – Administration decreased by a net amount \$14,671 or 33%. The decrease in this category was additions of computers and disposals of obsolete items.

Accumulated Depreciation decreased by \$5,499. This is the amount of current year depreciation expense netted against dispositions.

	2007	2006	Variance	Percentage Change
Land	17,356	22,000	(4,644)	-21.1%
Buildings	179,715	175,998	3,717	2.1%
Furniture, Equipment, & Machinery - Dwelling	5,214	0	5,214	100.0%
Furniture, Equipment, & Machinery - Administrative	29,398	44,069	(14,671)	-33.3%
Leasehold Improvements	0	0	0	0.0%
Total Fixed Assets	231,683	242,067	(10,384)	-4.3%
Accumulated Depreciation	74,153	79,652	(5,499)	-6.9%
Net Fixed Assets	157,530	162,415	(4,885)	-3.0%

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

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
AS OF JUNE 30, 2007**

ASSETS

CURRENT ASSETS

Cash	\$ 13,807
Accounts receivable (interfund eliminated)	183
Accrued interest receivable	2,349
Investments	652,096
Deferred charges	<u>637</u>
 Total Current Assets	 \$ <u>669,072</u>

CAPITAL ASSETS

Land, buildings and equipment	\$ 231,683
Less: Accumulated depreciation	<u>-74,153</u>
 Net Capital Assets	 \$ <u>157,530</u>
 Total Assets	 \$ <u>826,510</u>

LIABILITIES

CURRENT LIABILITIES

Cash overdraft	\$ 92
Accounts payable (interfund eliminated)	<u>3,659</u>
 Total Current Liabilities	 \$ <u>3,751</u>

NONCURRENT LIABILITIES

FSS escrow	\$ <u>12,184</u>
 Total Noncurrent Liabilities	 \$ <u>12,184</u>

NET ASSETS

Invested in capital assets	\$ 157,530
Unrestricted	<u>653,137</u>
 Total Net Assets	 \$ <u><u>810,667</u></u>

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

**STATEMENT OF REVENUE AND EXPENDITURES - PROPRIETARY FUNDS
AND CHANGES IN NET ASSETS
TWELVE MONTHS ENDED JUNE 30, 2007**

Operating Income

Tenant rental revenue	\$ 5,482
Total Rental Income	\$ 5,482
HUD grants - operating	2,124,413
Fraud recovery	861
Gain (loss) on sale of fixed assets	<u>-2,634</u>
Total Operating Income	<u>\$ 2,128,122</u>

Operating Expenses

Administration	\$ 184,603
Utilities	3,554
Ordinary maintenance	8,162
General expense	11,911
Housing assistance payments	1,770,638
Depreciation	<u>5,578</u>
Total Operating Expenses	<u>\$ 1,984,446</u>
Net Operating Income (Loss)	<u>\$ 143,676</u>

Nonoperating Income (Expense)

Interest expense	\$ -39
Interest income	<u>17,798</u>
Total Nonoperating Income (Expense)	<u>\$ 17,759</u>
Changes in net assets	\$ 161,435
Net assets, beginning of year	649,052
Prior period adjustments	<u>180</u>
Net assets, end of year	<u>\$ 810,667</u>

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

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

Operating Activities

Operating grants	\$ 2,124,413
Tenant revenue	5,483
Other revenue	-1,773
Housing assistance payments	-1,770,638
Payments to employees	-104,088
Payments to suppliers and contractors	<u>-100,763</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 152,634</u>

Investing Activities

Investments (purchased) redeemed	\$ -241,083
Interest income	<u>17,798</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ -223,285</u>

Capital and Related Financing Activities

(Additions) deletions to fixed assets	\$ -693
Interest expense	<u>-39</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ -732</u>
Net Change in Cash	\$ -71,383
Cash Balance at June 30, 2006	<u>85,098</u>
Cash Balance at June 30, 2007	<u><u>\$ 13,715</u></u>

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

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

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

Net operating income (loss)	\$ 143,676
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	5,578
Adjustment to net assets	180
(Increase) decrease in accounts receivable	-39,596
(Increase) decrease in deferred charges	-60
Increase (decrease) in accounts payable	49,320
Increase (decrease) in deferred revenues	-9,680
Increase (decrease) in other liabilities	<u>3,216</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 152,634</u>

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
CRAWFORDSVILLE, 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 Crawfordsville was established by the City of Crawfordsville 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 Crawfordsville 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 Crawfordsville is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

(b) Method of Accounting -

The records of the Housing Authority are maintained on an accrual basis in accordance with the previously accepted method of accounting procedures prescribed by the Department of Housing and Urban Development as outlined in the Low Rent Housing, Accounting Handbook, HM 7510.1. These practices differ in some respects from generally accepted accounting principles. On July 1, 2000, the Housing Authority was required to maintain their records in accordance with generally accepted accounting standards (GAAP). However, the Housing Authority of the City of Crawfordsville did not follow this mandate. Accordingly the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
CRAWFORDSVILLE, 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:

- * Section 8 Choice Vouchers
- * Business Activities

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

Proprietary Fund Types:

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

(d) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Housing Authority considers all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of one (1) month or less when purchased to be cash equivalents.

(e) Investments -

Investments are stated at cost which approximates market.

(f) Fixed Assets -

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

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

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

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

Note 1 - Summary of Significant Accounting Policies

(f) Fixed Assets -

Land, buildings and equipment contains the following:

- 1) nonexpendable equipment, and
- 2) property betterments and additions
- 3) improvements.

No depreciation has been computed for any assets in the Section 8 programs.

Equity Project

Fixed assets with a value in excess of \$100 and a useful life in excess of one year or more are capitalized. Depreciation is computed on the straight-line method over the following useful lives:

<u>Category of Assets</u>	<u>Estimated Life</u>
Building	40 Years
Furniture and equipment	10 Years

(g) Income Tax -

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

(h) Annual Contributions/Subsidies and Other Grants

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

Other 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.

- (i) 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.
- (j) The preparation of financial statements on an accrual basis require the Housing Authority to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

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

Note 2 - Cash and Investments

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

All cash and investments are insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company of the depository financial institutions. The deposits exceeding the insured or registered limits are public funds covered by the State of Indiana Public Deposit Fund.

Custodial Credit Risk

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

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

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

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

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

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

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

Note 2 - Cash and Investments (Continued)

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

Category 1 - Deposits which are insured or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.

Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name.

Category 3 - Deposits which are not collateralized or insured.

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

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Voucher	\$ 13,369	\$ 25,419
Equity Project	<u>346</u>	<u>801</u>
Total	<u>\$ 13,715</u>	<u>\$ 26,220</u>

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

Category 1 - Investments that are insured, registered or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.

Category 2 - Investments which are uninsured and unregistered held by the counter-party's trust department or agent in the Housing Authority's name.

Category 3 - Uninsured or unregistered investments held by the counter-party, its trust or its agent, but not in the Housing Authority's name.

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

<u>Program</u>	<u>Book Balance</u>	<u>Market Value</u>
Voucher	\$ 586,023	\$ 586,023
Equity Project	<u>66,073</u>	<u>66,073</u>
Total	<u>\$ 652,096</u>	<u>\$ 652,096</u>

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

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

Note 3 - Accounts Receivable

Accounts receivable consists of the following accounts:

Fraud recovery (net of allowance)	\$ 183
Subtotal	\$ 183
Interfund	61,469
Total	<u>\$ 61,652</u>

Note 4 - Investments

At June 30, 2007 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Savings	.75%	\$ 12,184	\$ 12,184
Certificate of Deposit	5.01-5.39%	270,661	270,661
Money Market	.75 - 2.27%	<u>369,251</u>	<u>369,251</u>
Total		<u>\$ 652,096</u>	<u>\$ 652,096</u>

Note 5 - Deferred Charges

This classification includes the following account:

Prepaid insurance	<u>\$ 637</u>
-------------------	---------------

Note 6 - Capital Assets

Balance as of June 30, 2007	\$ 157,530
Balance as of June 30, 2006	<u>162,415</u>
Net Increase (Decrease)	<u>\$ -4,885</u>

Reconciliation

Additions	\$ 3,147
Adjustment to fixed asset basis	180
Gain (loss) on disposal	-2,634
Current year depreciation expense	<u>-5,578</u>
Net Increase (Decrease)	<u>\$ -4,885</u>

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

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

Note 6 - Capital Assets (Continued)

<u>Analysis</u>	07/01/2006 <u>Balance</u>	Additions/ <u>Transfers</u>	Deletions/ <u>Transfers</u>	06/30/2007 <u>Balance</u>
Land	\$ 22,000	\$ 0	\$ 4,644	\$ 17,356
Buildings	175,998	3,717	0	179,715
Equipment and furniture	<u>44,069</u>	<u>4,074</u>	<u>13,531</u>	<u>34,612</u>
Total Assets	\$ 242,067	\$ 7,791	\$ 18,175	\$ 231,683
Accumulated depreciation	<u>-79,652</u>	<u>11,077</u>	<u>5,578</u>	<u>-74,153</u>
Net Assets	<u>\$ 162,415</u>	<u>\$ 18,868</u>	<u>\$ 23,753</u>	<u>\$ 157,530</u>

Note 7 - Accounts Payable

This classification includes the following accounts:

Tenants security deposits	\$ 438
Payroll withholding	<u>3,221</u>
Subtotal	\$ 3,659
Interfund	<u>61,469</u>
Total	<u>\$ 65,128</u>

Note 8 - Trust and Deposit Liabilities

This classification consists of the following accounts:

FSS Escrow Accounts	<u>\$ 12,184</u>
---------------------	------------------

Note 9 - 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.

Note 10 - 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

HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
CRAWFORDSVILLE, INDIANA

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

Note 11 - 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 12 - Prior Period Adjustments

Prior period adjustments posted directly to surplus are detailed below:

Adjustment to fixed asset basis	\$ <u>180</u>
---------------------------------	---------------

Note 13 - 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 in the current or past three years.

Note 14 - Economic Dependency

The Housing Authority received most of its revenue (99%) from the United State 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 CRAWFORDSVILLE
CRAWFORDSVILLE, 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:						
Housing Choice Vouchers*	14.871	C-2008V	FYE 06/30/07	\$ 2,124,413	\$ 2,124,413	\$ 2,124,413
Total Housing Assistance				<u>\$ 2,124,413</u>	<u>\$ 2,124,413</u>	<u>\$ 2,124,413</u>

*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 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 CRAWFORDSVILLE
CRAWFORDSVILLE, INDIANA**

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 2007**

<u>ASSETS</u>	<u>Voucher</u>	<u>Equity</u>
CURRENT ASSETS		
Cash	\$ 13,369	\$ 438
Accounts receivable	61,652	0
Accrued interest receivable	2,349	0
Investments	586,023	66,073
Deferred charges	<u>637</u>	<u>0</u>
Total Current Assets	\$ 664,030	\$ 66,511
CAPITAL ASSETS		
Land, buildings and equipment	\$ 29,398	\$ 202,285
Less: Accumulated depreciation	<u>-20,991</u>	<u>-53,162</u>
Net Capital Assets	\$ 8,407	\$ 149,123
Total Assets	\$ 672,437	\$ 215,634
 <u>LIABILITIES</u>		
CURRENT LIABILITIES		
Cash overdraft	\$ 0	\$ 92
Accounts payable	<u>3,221</u>	<u>61,907</u>
Total Current Liabilities	\$ 3,221	\$ 61,999
NONCURRENT LIABILITIES		
Trust and deposit liabilities	<u>\$ 12,184</u>	<u>\$ 0</u>
Total Noncurrent Liabilities	\$ 12,184	\$ 0
 <u>NET ASSETS</u>		
Invested in capital assets	\$ 8,407	\$ 149,123
Unrestricted	<u>648,625</u>	<u>4,512</u>
Total Net Assets	<u>\$ 657,032</u>	<u>\$ 153,635</u>

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

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

<u>Operating Income</u>	<u>Voucher</u>	<u>Equity</u>
Tenant rental revenue	\$ 0	\$ 5,482
Total Rental Income	\$ 0	\$ 5,482
HUD grants - operating	2,124,413	0
Fraud recovery	861	0
Gain (loss) on sale of fixed assets	<u>-2,634</u>	<u>0</u>
Total Operating Income	<u>\$ 2,122,640</u>	<u>\$ 5,482</u>
 <u>Operating Expenses</u>		
Administrative expense	\$ 184,602	\$ 1
Utilities	2,231	1,323
Ordinary maintenance	2,384	5,778
General expense	11,911	0
Housing assistance payments	1,770,638	0
Depreciation expense	<u>993</u>	<u>4,585</u>
Total Operating Expenses	<u>\$ 1,972,759</u>	<u>\$ 11,687</u>
Net Operating Income (Loss)	<u>\$ 149,881</u>	<u>\$ -6,205</u>
 <u>Nonoperating Income (Expense)</u>		
Interest expense	\$ -39	\$ 0
Interest income	<u>17,367</u>	<u>431</u>
Total Nonoperating Income (Expense)	<u>\$ 17,328</u>	<u>\$ 431</u>
Changes in Net Assets	<u>\$ 167,209</u>	<u>\$ -5,774</u>

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

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

<u>Invested in Capital Assets</u>	<u>Voucher</u>	<u>Equity</u>
Balance at June 30, 2006	\$ 8,707	\$ 153,708
Current year net income (loss)	-480	-4,585
Prior year adjustment	<u>180</u>	<u>0</u>
Balance at June 30, 2007	<u>\$ 8,407</u>	<u>\$ 149,123</u>
 <u>Unrestricted</u>		
Balance at June 30, 2006	\$ 480,936	\$ 5,701
Current year net income (loss)	<u>167,689</u>	<u>-1,189</u>
Balance at June 30, 2007	<u>\$ 648,625</u>	<u>\$ 4,512</u>
Total Net Assets	<u>\$ 657,032</u>	<u>\$ 153,635</u>

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

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

<u>Operating Activities</u>	<u>Voucher</u>	<u>Equity</u>
Operating grants	\$ 2,124,413	\$ 0
Tenant revenue	0	5,483
Other revenue	-1,773	0
Housing assistance payments	-1,770,638	0
Payments to employees	-104,088	0
Payments to suppliers and contractors	<u>-142,677</u>	<u>41,914</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 105,237</u>	<u>\$ 47,397</u>
 <u>Investing Activities</u>		
Investments (purchased) redeemed	\$ -192,466	\$ -48,617
Interest income	<u>17,367</u>	<u>431</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ -175,099</u>	<u>\$ -48,186</u>
 <u>Capital and Related Financing Activities</u>		
(Additions) deletions to fixed assets	\$ -693	\$ 0
Interest expense	<u>-39</u>	<u>0</u>
Net Cash Provided (Used) by Capital and Financing Activities	<u>\$ -732</u>	<u>\$ 0</u>
Net Change in Cash	\$ -70,594	\$ -789
Cash Balance at June 30, 2006	<u>83,963</u>	<u>1,135</u>
Cash Balance at June 30, 2007	<u>\$ 13,369</u>	<u>\$ 346</u>

**HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
CRAWFORDSVILLE, 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>	<u>Voucher</u>	<u>Equity</u>
Net operating income (loss)	\$ 149,881	\$ -6,205
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:		
Depreciation	993	4,585
Adjustments to net assets	180	0
(Increase) decrease in accounts receivable	-39,596	0
(Increase) decrease in deferred charges	-60	0
Increase (decrease) in accounts payable	303	49,017
Increase (decrease) in deferred revenues	-9,680	0
Increase (decrease) in other liabilities	<u>3,216</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 105,237</u>	<u>\$ 47,397</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 Crawfordsville
Crawfordsville, Indiana

I have audited the financial statements of the governmental activities of Housing Authority of the City of Crawfordsville as of and for the year ended June 30, 2007, which collectively comprise the Housing Authority of the City of Crawfordsville's basic financial statements and have issued my report thereon dated November 1, 2007. 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 Crawfordsville'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 Crawfordsville's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the City of Crawfordsville'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 Crawfordsville'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 Crawfordsville's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority of the City of Crawfordsville'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 Crawfordsville'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 Crawfordsville'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

I noted certain matters that we reported to management of Housing Authority of the City of Crawfordsville, in a separate letter dated November 1, 2007.

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
November 1, 2007


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 Crawfordsville
Crawfordsville, Indiana

Compliance

I have audited the compliance of Housing Authority of the City of Crawfordsville 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 Crawfordsville'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 Crawfordsville's management. My responsibility is to express an opinion on Housing Authority of the City of Crawfordsville'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 Crawfordsville'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 Crawfordsville's compliance with those requirements.

In my opinion, Housing Authority of the City of Crawfordsville 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. The results of my auditing procedures disclosed no instances of noncompliance with those requirements.

Internal Control Over Compliance

The management of Housing Authority of the City of Crawfordsville 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 Crawfordsville'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 Crawfordsville's internal control over compliance.

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.

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.

My consideration of internal control over compliance 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 compliance that I consider to be material weaknesses, as defined above.

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 Crawfordsville in a separate letter dated November 1, 2007.

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
November 1, 2007


Certified Public Accountant

HOUSING AUTHORITY OF THE CITY OF CRAWFORDSVILLE
CRAWFORDSVILLE, INDIANA

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2006 contained one finding.

Finding 1:

During the prior year review of eleven (11) Section 8 participant files, errors in the calculations or lack of documentation to support the calculations were noted in five of those files. During the current year, no errors in calculations were noted and documentation to support the calculations were complete. This finding is considered closed.

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

CURRENT FINDINGS AND RECOMMENDATIONS

There were no audit findings discussed with Ms. Beverly Cooper, Associate Director during the course of the audit and at an exit conference held November 1, 2007.

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

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
JUNE 30, 2007**

<u>Voucher</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(1)				
Escrow investment	1164.1	\$ 3,135.00		1164.1
HAP escrow expenses	4715	3,135.00		2810
FSS escrow liability	2180		\$ 6,270.00	2180
(To complete the posting of escrow investment)				
(2)				
FSS escrow liability	2180	\$ 1,955.13		2180
Escrow investment	1164.1		\$ 1,955.13	1164.1
(To reverse JV16 and JV22)				
(3)				
Escrow investment	1164.1	\$ 80.85		1164.1
FSS escrow liability	2180		\$ 80.85	2180
(To account for interest received during the year)				
(4)				
Payroll liabilities	----	\$ 33,876.97		----
Federal withholding	2117.10		\$ 13,214.00	2117.10
FICA withholding	2117.20		6,456.41	2117.20
Medicare withholding	2117.30		1,509.99	2117.30
State withholding	2117.40		3,512.07	2117.40
County withholding	2117.50		1,033.22	2117.50
Payroll expense	----		8,151.28	----
(To adjust payroll withholding to actual)				
(5)				
Furniture & equipment - admin	1400.9	\$ 2,547.99		1400.9
Sundry - office equipment	4190		\$ 2,547.99	2810
(To record two new computer workstations as capital assets)				
(6)				
Accounts receivable - equity	1135.5	\$ 48,892.14		1135.5
Unreserved surplus	2810		\$ 33,430.28	2810
Accounts payable	----		7,815.00	----
Accounts payable - other	2118.1		7,646.86	2118.1
(To record money transferred to Equity through interfunds)				

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

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
JUNE 30, 2007**

<u>Voucher</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(7)				
Investments	1164	\$ 10,550.76		1164
Interest income	3610		\$ 10,550.76	2810
(To adjust book to actual interest paid on CD's for year)				
(8)				
Accumulated depreciation	1400.5	\$ 10,896.91		1400.5
Loss on disposal	6120	2,634.16		2810
Furniture & equipment - admin	1400.9		\$ 13,531.07	1400.9
(To dispose of deleted asset)				
(9)				
Undeposited funds	----		\$ 3,552.85	----
Accounts receivable	----	\$ 3,552.85	5,651.05	----
Accounts receivable - other	1129	5,052.09	3,655.25	1129
Fraud recovery income	3300.1		1,817.68	2810
Collection fees - fraud	----	772.77		----
Housing assistance payments	4715	860.92		2810
Uncategorized income	----	598.96		----
Deferred revenue	3540	3,839.24		2810
(To correct posting of accounts receivable - fraud and fraud collection)				
(10)				
Depreciation expense	4800	\$ 993.00		2810
Accumulated depreciation	1400.5	179.14	\$ 993.00	1400.5
Unreserved surplus	2810		179.14	2810
(To record depreciation expense for fiscal year 2007 and record prior year adjustment)				
<u>Equity</u>				
(1)				
Investments	1162	\$ 15,259.51		1162
Interfund payable	2118.1		\$ 15,461.86	2118.1
Interest	3610		67.65	2810
Accounts payable - vendors	2111	200.00		2111
Accounts payable - other	2119	70.00		2119
(To adjust investments to actual)				

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

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES
JUNE 30, 2007**

<u>Equity (Continued)</u>	<u>Audit Account Number</u>	<u>Debit</u>	<u>Credit</u>	<u>Posting Account Number</u>
(2)				
Accounts payable - vendor	2111	\$ 200.00		2111
Due to Voucher	2118.1		\$ 200.00	2118.1
(To reclassify transfer of cash on 03/28/07 from Voucher per check and deposit examined)				
(3)				
Accounts payable - vendor	2111 1	\$ 77.07		2111
Property maintenance	4410		\$ 28.89	2810
Sewer	4390		39.74	2810
Electricity	4320		8.44	2810
(To reverse prior years accounts payable)				
(4)				
Accounts payable - vendors	2111	\$ 199.00		2111
Accounts payable	2119		\$ 200.00	2119
Bank fees	4190	1.00		2810
(To correct posting of bank transfers)				
(5)				
Rental income	3110	\$ 100.00		2810
Tenant security deposit	2114		\$ 100.00	2114
(To reclassify security deposit received 03/07)				
(6)				
Unreserved surplus	2810	\$ 33,430.28		2810
Accounts payable - Voucher	2118.10		\$ 33,430.28	2118.10
(To record money transferred to Equity through interfund)				
(7)				
Depreciation expense	4800	\$ 4,585.00		2810
Accumulated depreciation	1400.5		\$ 4,585.00	1400.5
(To record depreciation expense for fiscal year 2007)				

PHA: IN047 FYED: 06/30/2007

Line Item No.	Account Description	Business Activities	Housing Choice Vouchers	Total
111	Cash - Unrestricted	\$0	\$1,185	\$1,185
113	Cash - Other Restricted	\$0	\$12,184	\$12,184
114	Cash - Tenant Security Deposits	\$438	\$0	\$438
100	Total Cash	\$438	\$13,369	\$13,807
128	Fraud Recovery	\$0	\$6,024	\$6,024
128.1	Allowance for Doubtful Accounts - Fraud	\$0	\$-5,841	\$-5,841
129	Accrued Interest Receivable	\$0	\$2,349	\$2,349
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$2,532	\$2,532
131	Investments - Unrestricted	\$66,073	\$586,023	\$652,096
142	Prepaid Expenses and Other Assets	\$0	\$637	\$637
144	Interprogram Due From	\$0	\$61,469	\$61,469
150	Total Current Assets	\$66,511	\$664,030	\$730,541
161	Land	\$17,356	\$0	\$17,356
162	Buildings	\$179,715	\$0	\$179,715
163	Furniture, Equipment & Machinery - Dwellings	\$5,214	\$0	\$5,214
164	Furniture, Equipment & Machinery - Administration	\$0	\$29,398	\$29,398
166	Accumulated Depreciation	\$-53,162	\$-20,991	\$-74,153
160	Total Fixed Assets, Net of Accumulated Depreciation	\$149,123	\$8,407	\$157,530
180	Total Non-Current Assets	\$149,123	\$8,407	\$157,530
190	Total Assets	\$215,634	\$672,437	\$888,071
311	Bank Overdraft	\$92	\$0	\$92
321	Accrued Wage/Payroll Taxes Payable	\$0	\$3,221	\$3,221
341	Tenant Security Deposits	\$438	\$0	\$438
347	Interprogram Due To	\$61,469	\$0	\$61,469
310	Total Current Liabilities	\$61,999	\$3,221	\$65,220
353	Noncurrent Liabilities - Other	\$0	\$12,184	\$12,184
350	Total Noncurrent Liabilities	\$0	\$12,184	\$12,184
300	Total Liabilities	\$61,999	\$15,405	\$77,404
508	Total Contributed Capital	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$149,123	\$8,407	\$157,530
511	Total Reserved Fund Balance	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$4,512	\$648,625	\$653,137
513	Total Equity/Net Assets	\$153,635	\$657,032	\$810,667
600	Total Liabilities and Equity/Net Assets	\$215,634	\$672,437	\$888,071
703	Net Tenant Rental Revenue	\$5,482	\$0	\$5,482
705	Total Tenant Revenue	\$5,482	\$0	\$5,482
706	HUD PHA Operating Grants	\$0	\$2,124,413	\$2,124,413
711	Investment Income - Unrestricted	\$431	\$17,367	\$17,798
714	Fraud Recovery	\$0	\$861	\$861
716	Gain/Loss on Sale of Fixed Assets	\$0	\$-2,634	\$-2,634
700	Total Revenue	\$5,913	\$2,140,007	\$2,145,920
911	Administrative Salaries	\$0	\$104,391	\$104,391
912	Auditing Fees	\$0	\$2,795	\$2,795
915	Employee Benefit Contributions - Administrative	\$0	\$31,663	\$31,663
916	Other Operating - Administrative	\$1	\$45,753	\$45,754
931	Water	\$739	\$164	\$903
932	Electricity	\$296	\$1,070	\$1,366
933	Gas	\$0	\$933	\$933
938	Other Utilities Expense	\$288	\$64	\$352
943	Ordinary Maintenance and Operations - Contract Costs	\$5,778	\$2,384	\$8,162
961	Insurance Premiums	\$0	\$2,738	\$2,738

962	Other General Expenses	\$0	\$8,400	\$8,400
966	Bad Debt - Other	\$0	\$773	\$773
967	Interest Expense	\$0	\$39	\$39
969	Total Operating Expenses	\$7,102	\$201,167	\$208,269
970	Excess Operating Revenue over Operating Expenses	\$-1,189	\$1,938,840	\$1,937,651
973	Housing Assistance Payments	\$0	\$1,770,638	\$1,770,638
974	Depreciation Expense	\$4,585	\$993	\$5,578
900	Total Expenses	\$11,687	\$1,972,798	\$1,984,485
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$-5,774	\$167,209	\$161,435
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0
1103	Beginning Equity	\$159,409	\$489,643	\$649,052
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$180	\$180
1120	Unit Months Available	24	5,879	5,903
1121	Number of Unit Months Leased	24	5,436	5,460
1117	Administrative Fee Equity	\$0	\$35,564	\$35,564
1118	Housing Assistance Payments Equity	\$0	\$621,468	\$621,468

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