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July 24, 2014

Board of Directors
Greencastle Housing Authority
309 E. Franklin Street
Greencastle, IN 46135

We have reviewed the audit report prepared by Sailor, Khan & Co., LLC, Independent Public Accountants, for the period July 1, 2008 to June 30, 2009. 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 Greencastle Housing Authority, as of June 30, 2009 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

**GREENCASTLE HOUSING AUTHORITY
GREENCASTLE, INDIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
AND
REPORTS ON COMPLIANCE AND
ON INTERNAL CONTROL**

GREENCASTLE HOUSING AUTHORITY
Greencastle, Indiana

TABLE OF CONTENTS

JUNE 30, 2009

	<u>Page</u>
Section I - Auditor's Report and Management's Discussion and Analysis	
Independent Auditor's Report	i
Management's Discussion and Analysis (unaudited)	ii-vii
Section II - Financial Statements and Notes to Financial Statements	
Basic Financial Statements:	
Statement of Net Assets	1-2
Statement of Revenue, Expenses and Changes in Net Assets	3
Statement of Cash Flows	4-5
Notes to Basic Financial Statements	6-18
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards and Notes to the Schedule of Federal Awards	19
Financial Data Schedule	Exhibit A
Section III - Reports on Compliance and on Internal Control	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	3-4
Significant Deficiencies Communicated in Prior Years	5
Schedule of Findings and Questioned Costs:	
Section I - Summary of Auditor Results	6
Section II - Financial Statement Findings	7-8
Section III - Federal Awards Findings	9

SECTION I
AUDITOR'S REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

Sailor

Certified Public Accountants

Khan & Co. LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Greencastle Housing Authority
Greencastle, Indiana

We have audited the accompanying basic financial statements of the Greencastle Housing Authority, Indiana, (Authority) as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

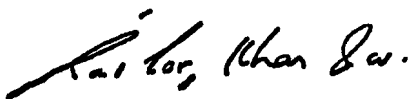
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Greencastle Housing Authority, Indiana, as of June 30, 2009, and the changes in its financial position and its cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2010, on our consideration of the Authority's internal control over financial reporting and on our 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 our testing of internal control 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 our audit.

The management's discussion and analysis on pages ii to vii is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Sailor, Khan & Co. LLC
March 5, 2010

Greencastle Housing Authority

Management's Discussion and Analysis (MD&A) June 30, 2009 (Unaudited)

This section of the Greencastle Housing Authority, Indiana's (Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on June 30, 2009. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL HIGHLIGHTS

- ▶ The term "net assets" refers to the difference between assets and liabilities. The Authority's total net assets as of June 30, 2009 were \$240,122. The net assets increased by \$21,691, an increase of 9.9% over the prior year.
- ▶ Revenues for the Authority were \$972,781 for the year ended June 30, 2009. This was a decrease of \$34,718 or 3.4% from the prior year.
- ▶ Expenses for the Authority were \$954,086 for the year ended June 30, 2009. This was a decrease of \$53,196 or 5.3% from the prior year.
- ▶ Rental revenue for the Authority was \$39,704 for the year ended June 30, 2009, an increase of \$3,144 or 8.6% over the prior year. HUD operating grants for the Authority was \$688,917 for the year ended June 30, 2009, a decrease of \$157,893 or 18.6% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Assets includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

Greencastle Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2009 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$240,122 at the close of the year ended June 30, 2009 up from \$218,431 in fiscal year 2008. The increase in net assets of \$21,691 was due to the reasons noted below.

- ▶ Current and other assets include cash, receivables, and prepaid expenses. Of the \$389 increase in this category, cash increased \$4,581, receivables decreased \$3,527, and prepaid expenses decreased \$665.
- ▶ Restricted assets include cash and increased \$37,839 over the prior year.
- ▶ Capital assets decreased \$26,502 because current year depreciation exceeded capital asset additions. Change in capital assets is explained in section titled "Capital Assets and Debt Administration" of this analysis.
- ▶ Current liabilities increased \$1,387 primarily due to a \$1,285 increase in accounts payable and accrued wages. Accounts payable represent amounts owed to vendors and contractors for services rendered or goods purchased in the current fiscal year, but paid in the following fiscal year.
- ▶ Noncurrent liabilities decreased \$11,352 due to current year principal payments on long-term debt and a decrease in noncurrent portion of accrued liability for unpaid vacation and sick leave.

Greencastle Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued

FINANCIAL ANALYSIS (CONTINUED)

The unrestricted net assets were \$88,114 as of June 30, 2009. This amount may be used to meet the Authority's ongoing obligations. The restricted assets were \$71,704 as of June 30, 2009. This amount may only be used in the Housing Choice Voucher program for housing assistance payments. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net assets. The same situation held true for the prior fiscal year.

CONDENSED STATEMENTS OF NET ASSETS
JUNE 30,

	<u>2009</u>	<u>2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 88,457	\$ 88,068	\$ 389	0.4%
Restricted assets	95,064	57,225	37,839	66.1%
Capital assets	<u>740,977</u>	<u>767,479</u>	<u>(26,502)</u>	-3.5%
Total Assets	<u>924,498</u>	<u>912,772</u>	<u>11,726</u>	1.3%
Current liabilities	22,883	21,496	1,387	6.5%
Noncurrent liabilities	<u>661,493</u>	<u>672,845</u>	<u>(11,352)</u>	-1.7%
Total Liabilities	<u>684,376</u>	<u>694,341</u>	<u>(9,965)</u>	-1.4%
Net Assets				
Invested in capital assets, net of related debt	80,304	103,482	(23,178)	-22.4%
Restricted for HAP	71,704	36,845	34,859	94.6%
Unrestricted	<u>88,114</u>	<u>78,104</u>	<u>10,010</u>	12.8%
Total Net Assets	<u>\$ 240,122</u>	<u>\$ 218,431</u>	<u>\$ 21,691</u>	9.9%

The largest portion of the Authority's net assets reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

While the Statement of Net Assets shows the change in financial position of net assets, the Statements of Revenues, Expenses, and Changes in Net Assets provides answers as to the nature and source of these changes.

As can be seen in the table on page vi, total revenues decreased \$34,718 due to the reasons noted below.

- ▶ Rental revenue increased \$3,144 or 8.6% mainly due to an increase in the average rental charge per unit of \$13.02 or 11.3% in the Rural Rental Housing Program.
- ▶ Of the \$157,893 decrease in HUD operating grants, New Construction program assistance decreased \$132,102 and Housing Choice Voucher program assistance received from HUD decreased \$25,791.
- ▶ Other operating grants for the Emergency Food & Shelter program increased \$7,220 from FY 2008.

Greencastle Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued

FINANCIAL ANALYSIS (CONTINUED)

- ▶ Interest income decreased \$211 or 31.8% from FY 2008 due to a decrease in interest rates.
- ▶ Other income decreased \$23,989 or 23.3% from FY 2008 due to an decrease in other revenue from the Homeless Shelter program.

Total expenses decreased \$53,196 due to the reasons noted below.

- ▶ Of the \$23,388 decrease in personal services, employee wages decreased \$21,104 and employee benefits decreased \$2,284.
- ▶ Of the \$1,262 increase in utilities, water increased \$803, electricity increased \$421, gas increased \$400 and sewer decreased \$362.
- ▶ Operations and maintenance decreased \$2,082 from FY 2008 mostly due to a decrease in maintenance materials purchased during the current fiscal year of \$2,115.
- ▶ Insurance increased \$787 or 6.6% over the prior year due to an increase in insurance premiums.
- ▶ Other supplies and expenses increased \$10,637 mainly due to an increase in other general expenses in the Homeless Shelter program.
- ▶ Housing assistance payments decreased \$41,253 or 6.7% due to a 12.0% decrease in utilization rate for the Housing Choice Voucher program. The Authority had an increase in average housing assistance payment of \$16.77 or 6.0%.
- ▶ Interest expense decreased \$241 or 0.5% from FY 2008 due to current year principal payments on outstanding loans.
- ▶ The Authority had a \$1,082 or 3.6% increase in Depreciation which is the write-off of capital assets over their estimated useful life.

Greencastle Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued

FINANCIAL ANALYSIS (CONTINUED)

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
JUNE 30,**

	<u>2009</u>	<u>2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Operating - non-operating:				
Rental revenue	\$ 39,704	\$ 36,560	\$ 3,144	8.6%
HUD operating grants	688,917	846,810	(157,893)	-18.6%
Operating grants - other	164,883	20,652	144,231	698.4%
Interest income	453	664	(211)	-31.8%
Other income	78,824	102,813	(23,989)	-23.3%
Total Revenues	<u>972,781</u>	<u>1,007,499</u>	<u>(34,718)</u>	-3.4%
Expenses				
Personal services	197,765	221,153	(23,388)	-10.6%
Utilities	21,122	19,860	1,262	6.4%
Operations and maintenance	13,498	15,580	(2,082)	-13.4%
Insurance	12,740	11,953	787	6.6%
Other supplies and expenses	53,193	42,556	10,637	25.0%
Housing assistance payments	575,319	616,572	(41,253)	-6.7%
Interest expense	49,666	49,907	(241)	-0.5%
Depreciation	30,783	29,701	1,082	3.6%
Total Expenses	<u>954,086</u>	<u>1,007,282</u>	<u>(53,196)</u>	-5.3%
Change in net assets	18,695	217	18,478	
Beginning net assets	218,431	218,214	217	
Prior period adjustments	<u>2,996</u>	<u>----</u>	<u>2,996</u>	
Beginning net assets, adjusted	<u>221,427</u>	<u>218,214</u>	<u>3,213</u>	
Ending net assets	<u>\$ 240,122</u>	<u>\$ 218,431</u>	<u>\$ 21,691</u>	

The Authority had the following programs during the current fiscal year:

1. Northview Apartments - 24 units Section 8 New/Rural Development 515 owned and managed by the Authority. The project had an 86.1% occupancy level in FY 2009, down from 95.8% in FY 2008.
2. Section 8 Housing Choice Vouchers - Authorized to assist 184 households with rental assistance. The lease-up rate for FY 2009 was 88.1%, down from 100.0% in FY 2008.
3. A-Way Home Shelter – 36 bed homeless shelter partially funded through state administered HUD Emergency Shelter Grant. Balance of funding from donations and other grants.

**Greencastle Housing Authority
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Greencastle Housing Authority, Indiana's investment in capital assets, net of related debt as of June 30, 2009 amounts to \$80,304 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements and equipment.

Capital Assets - The total decrease in the Authority's capital assets for the current fiscal year was 3.5% in terms of net book value. Actual expenditures to purchase or construct capital assets from revenues and capital contributions were \$4,012 for the year. Depreciation charges for the year totaled \$30,783. Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	<u>Beginning</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Ending</u>
Capital assets	\$767,479	\$4,281	\$(30,783)	\$740,977

Debt Administration - The Authority has a mortgage on its apartment complex known as Northview Apartments held by U.S. Department of Agriculture Rural Development as part of their Section 515 Loan Program. Total mortgage debt as of June 30, 2009 was \$660,673 down from \$663,997 in FY 2008. Additional information on the Authority's long-term debt can be found in the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Authority is eligible to receive \$424,731 for housing assistance payments for the months of July 2009 through February 2010 in the Housing Choice Voucher Program. The Authority also has \$71,704 available in HAP Reserves to be used for housing assistance payments. Based on the average housing assistance payment per unit of \$295.64 for FY 2009, the Authority will have sufficient funding and reserves to lease 100.0% of its authorized vouchers from July 2009 through February 2010. HUD has not established funding levels for the remaining four months of next fiscal year. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2010 and adjusted for pro-ratio which is currently at 90.224%.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Greencastle Housing Authority, 309 East Franklin Street, Greencastle, Indiana 46135.

SECTION II
FINANCIAL STATEMENTS
AND
NOTES TO FINANCIAL STATEMENTS

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

STATEMENT OF NET ASSETS

June 30, 2009

ASSETS

Current Assets:

Cash and cash equivalents	\$ 74,809.86
Receivable - net of allowances:	
Accounts	2,363.09
Prepaid expenses	<u>11,284.09</u>
Total Current Assets	<u>88,457.04</u>

Noncurrent Assets:

Restricted assets:	
Cash and cash equivalents	<u>95,063.65</u>
Total restricted assets	<u>95,063.65</u>

Capital assets:

Land, improvements, and construction in progress	73,120.00
Other capital assets, net of depreciation	<u>667,857.07</u>
Total capital assets- net	<u>740,977.07</u>

Total Noncurrent Assets	<u>836,040.72</u>
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Total Assets	<u>\$ 924,497.76</u>
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See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2009

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 6,161.15
Accrued salaries, wages and benefits	3,571.89
Accrued compensated absences	1,467.21
Tenant security deposit liability	3,702.00
Interest payable	4,129.21
Current portion of long term debt	3,582.00
Deferred revenues	<u>269.53</u>

Total Current Liabilities 22,882.99

Noncurrent Liabilities:

Long term debt	657,091.24
Accrued compensated absences	<u>4,401.63</u>

Total Noncurrent Liabilities 661,492.87

Total Liabilities 684,375.86

NET ASSETS

Invested in capital assets, net of related debt	80,303.83
Restricted for:	
HAP	71,704.26
Unrestricted	<u>88,113.81</u>

Total Net Assets 240,121.90

Total Liabilities and Net Assets \$ 924,497.76

See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For Year Ended June 30, 2009

Operating Revenues:	
Rental revenue	\$ 39,703.72
Operating subsidies- HUD grants	688,917.09
Operating subsidies- other grants	164,882.91
Other revenues	<u>78,824.39</u>
Total operating revenues	<u>972,328.11</u>
Operating Expenses:	
Personal services	197,764.94
Utilities	21,121.79
Operations and maintenance	13,498.42
Insurance	12,740.09
Other supplies and expenses	53,193.09
Housing assistance payments	575,319.00
Depreciation	<u>30,783.20</u>
Total operating expenses	<u>904,420.53</u>
Operating income (loss)	<u>67,907.58</u>
Non-operating revenues (expenses):	
Interest and investment earnings	453.18
Interest expense	<u>(49,666.31)</u>
Net non-operating revenues (expenses)	<u>(49,213.13)</u>
Change in net assets	18,694.45
Net assets at beginning of year	218,431.45
Prior period error corrections	<u>2,996.00</u>
Net assets adjusted at beginning of year	<u>221,427.45</u>
Net assets at end of year	<u><u>\$ 240,121.90</u></u>

See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

STATEMENT OF CASH FLOWS

For Year Ended June 30, 2009

Cash flows from operating activities:

Cash received from tenants	\$ 38,718.04
Cash received from HUD grants- operating	701,362.84
Cash received from other grants	162,484.71
Cash received from other operating activities	79,105.99
Cash payments for goods and services	(674,997.53)
Cash payments to employees-salaries	(190,454.87)
Cash payments for employee benefit contributions	<u>(16,865.27)</u>

Net cash provided (used) by operating activities	<u>99,353.91</u>
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Cash flows from capital and related financing activities:

Payments for capital assets	(4,012.11)
Principal paid on capital debt	(3,324.24)
Interest paid on capital debt	<u>(49,687.08)</u>

Net cash (used) for capital and related financing activities	<u>(57,023.43)</u>
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Cash flows from investing activities:

Interest and dividends	453.18
Receipts (payments) from tenant security deposits	<u>(364.00)</u>

Net cash provided (used) from investing activities	<u>89.18</u>
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Net increase (decrease) in cash and cash equivalents	42,419.66
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Cash and cash equivalents at beginning of year	<u>127,453.85</u>
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Cash and cash equivalents at end of year	<u>\$ 169,873.51</u>
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Cash and cash equivalents	\$ 74,809.86
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Restricted cash and cash equivalents	<u>95,063.65</u>
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Total cash and cash equivalents at end of year	<u>\$ 169,873.51</u>
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See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

STATEMENT OF CASH FLOWS (CONTINUED)

For Year Ended June 30, 2009

**Reconciliation of operating income (loss) to net cash
provided (used) by operating activities:**

Operating income (loss)	\$ 67,907.58
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	30,783.20
Allowance for doubtful accounts	56.31
Changes in assets and liabilities:	
Receivables	6,466.77
Prepaid expenses	664.81
Accounts and other payables	5,273.96
Deferred revenues	(2,243.52)
Compensated absences	(10,360.19)
Accrued expenses	<u>804.99</u>
Net cash provided (used) by operating activities	<u>\$ 99,353.91</u>

See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies

The Greencastle Housing Authority (Authority) is a non-profit entity established to provide low-rent housing, under the low rent program Annual Contributions Contract for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal agencies.

The Housing Authority complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the financial statements for the proprietary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Housing Authority the option of electing to apply FASB pronouncements issued after November 30, 1989, except for those that conflict with or contradict a GASB pronouncement. The Housing Authority has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1a. Financial Reporting Entity

The Housing Authority's financial reporting entity comprises the following:

Primary Government:

Housing Authority

In determining the financial reporting entity, the Housing Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39, "The Financial Reporting Entity," and includes all component units, if any, of which the Housing Authority appointed a voting majority of the units' board; the Housing Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. There are no agencies, organizations or activities meeting this criteria.

1b. Basis of Presentation

Financial statements of the reporting entity's programs are organized and reported as an enterprise fund and are accounted for by providing a set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Enterprise funds are used to account for business-like activities provided to its tenants. These activities are financed primarily by user charges and/or Federal funding and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1b. Basis of Presentation (Continued)

Following is a description of the Authority's programs:

Program	Brief Description
Housing Choice Vouchers	Accounts for activities of the Voucher program which assists very low-income families, the elderly, and the disabled to afford decent, safe and sanitary housing in the private market.
New Construction	Accounts for activities of the New Construction program which assists very low-income families, the elderly and the disabled to have decent, safe and sanitary housing through the housing assistance payments receive by the housing authority.
Rural Rental Housing	Accounts for activities of the Northview Apartments which is a HUD Section 8 New Construction/Rural Development 515, apartment complex. The complex consists of four buildings divided into 24 units. There are 6 one-bedroom apartments, 14 two bedroom apartments and 4 three bedroom apartments. The mortgage for the property is held by U.S. Department of Agriculture Rural Development (Formerly the Farmers Home Administration) as part of their Section 515 Loan Program. The low income tenants pay income bases rent with the balance of the rent subsidized through the HUD Section 8 New Construction Program. The Housing Authority obtained the property in December of 1995, with assistance from both Rural Development and HUD because the original owner defaulted on his mortgage with Rural Development.
Emergency Shelter Program	Accounts for activities of the A-Way Home Shelter provides temporary housing for homeless men, women and children. Average occupancy is 12 people per day. The shelter receives Federal funding through the FEMA Emergency Food and Shelter Program and the Emergency Shelter Grant, which is passed through the State of Indiana. The majority of the funding comes from private sources such as the United Way, foundations, churches, businesses and individuals.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1b. Basis of Presentation (Continued)

Program	Brief Description
Food and Shelter Management Program	Accounts for the actives of the Food and Shelter Management Program that supplement and expand ongoing efforts to provide shelter, food and supportive services for needy families and individuals. To strengthen efforts to create more effective and innovative local programs by providing supplemental funding for them. To conduct minimum rehabilitation of existing mass shelter or mass feeding facilities, but only to the extent necessary to make facilities safe, sanitary and bring them into compliance with local building codes.
Business Activities	The Greencastle Housing Authority maintains an account for housing activities that it is involved in that are not funded by HUD. Activities would include management activities for non-profit housing, inspections for other entities or any other activity that would result in revenue to the Greencastle Housing Authority for activities that do not receive Federal funding.

1c. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the financial statements, the “economic resources” measurement focus is used as follows:

- The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1d. Assets, Liabilities, and Equity

Cash

For the purpose of the Statement of Net Assets, "cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. Offsetting interprograms, if any, are eliminated for financial statement presentation.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Tenant accounts receivable compose the majority of receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Budgets and Budgetary Accounting

The Authority adopts a formal operating budget each year for its operating programs and on a project length basis for its capital expenditures which are approved by the Board of Commissioners and submitted to the Department of Housing and Urban Development for their approval, if required.

Estimates and Assumptions

The Authority uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) is as follows:

In the financial statements, capital assets purchased or acquired with an original cost of \$500.00 or more are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1d. Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense depending on the program where the asset is shown, in the Statement of Revenues, Expenses and Changes in Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 - 40	years
Furniture, equipment and machinery - dwelling	3 - 10	years
Furniture, equipment and machinery - administration	3 - 7	years

Restricted Assets

Restricted assets include cash and investments legally restricted as to their use. The primary restricted assets are related to Rural Rental Housing which is a USDA program and Housing Choice Vouchers which is a HUD program.

Compensated Absences

The Housing Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as short-term and long-term liabilities based on historical trends. In accordance with the provisions of GASB Statement No. 16, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Equity Classifications

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. The Authority had no related debt.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Non-operating revenues and expenses are those that are not operating in nature.

Interfund Transfers

For the purposes of the Statement of Revenues, Expenses and Change in Net Assets, all interfund transfers between individual programs, if any, have been eliminated.

NOTE 2 - Stewardship, Compliance, and Accountability

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2a. Program Accounting Requirements

The Authority complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

Program	Required By
Housing Choice Vouchers	U.S. Department of Housing and Urban Development
New Construction	U.S. Department of Housing and Urban Development
Emergency Shelter Program	U.S. Department of Housing and Urban Development
Emergency Food and Shelter Management Program	U.S. Department of Homeland Security - Federal Emergency Management Agency
Rural Rental Housing	U.S. Department of Agriculture
Business Activities	Greencastle Housing Authority

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 2 - Stewardship, Compliance, and Accountability (Continued)

2b. Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of the Authority in financial institutions must be secured with acceptable collateral valued at the lower of market or par. All financial institutions pledging collateral to the Authority must have a written collateral agreement. As reflected in Note 3a., all deposits were fully insured or collateralized.

Investments of the Authority are limited by state law to the following:

- a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which acceptable collateral is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral.

2c. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<i>Revenue Source</i>	<i>Legal Restrictions of Use</i>
Emergency Food and Shelter Management Program	Emergency shelter program

For the year ended June 30, 2009, the Authority complied, in all material respects, with these revenue restrictions.

NOTE 3 - Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3a. Cash

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it or the Authority will not be able to recover collateral securities in the possession of an outside party. As of June 30, 2009, the Authority's bank balances of \$177,095.76, were insured by federal depository insurance or collateralized with securities held by the pledging financial institutions in the Authority's name.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3b. Restricted Assets

The restricted assets as of June 30, 2009, are as follows:

<u>Type of Restricted Assets</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Total</u>
Rural Rental Housing Reserve Acct.	\$ 41,734.17	\$ ----	\$ 41,734.17
Unspent Housing Assistance Payments	<u>53,329.48</u>	<u>----</u>	<u>53,329.48</u>
	<u>\$ 95,063.65</u>	<u>\$ ----</u>	<u>\$ 95,063.65</u>

Restricted assets are considered non-current since their utilization in the next operating cycle is neither required nor expected.

3c. Accounts Receivable

Receivables detail at June 30, 2009, is as follows:

Tenant accounts receivable	\$ 2,625.66
Allowance for doubtful accounts	<u>(262.57)</u>
Tenants accounts receivable - net	<u>\$ 2,363.09</u>

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3d. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Additions	(Deductions)	Balance June 30, 2009
Land	\$ 73,120.00	\$ ----	\$ ----	\$ 73,120.00
Building	976,434.33	3,140.26	----	979,574.59
Furniture, equipment and machinery- dwelling	21,274.71	----	----	21,274.71
Furniture, equipment and machinery- administration	49,264.28	1,140.49	----	50,404.77
	1,120,093.32	\$ <u>4,280.75</u>	\$ ----	1,124,374.07
Accumulated depreciation	352,613.80	\$ <u>30,783.20</u>	\$ ----	383,397.00
Total	\$ <u>767,479.52</u>			\$ <u>740,977.07</u>

3e. Accounts Payable

Payable detail at June 30, 2009, is as follows:

Accounts payable - vendors	\$ 1,097.24
Accounts payable - other government - PILOT	<u>5,063.91</u>
	<u>\$ 6,161.15</u>

3f. Compensated Absences

Accumulated unpaid compensated absences are accrued. The liability for compensated absences at June 30, 2009 is \$5,868.84.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3g. Non-current Liabilities

As of June 30, 2009, the non-current liabilities are comprised of the following:

Accrued compensated absences - non current portion	\$ <u>4,401.63</u>
Total	\$ <u><u>4,401.63</u></u>

The following is a summary of changes in non-current liabilities for the year ended June 30, 2009:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ <u>12,171.77</u>	\$ <u>----</u>	\$ <u>7,770.14</u>	\$ <u>4,401.63</u>	\$ <u>1,467.21</u>
Total	\$ <u><u>12,171.77</u></u>	\$ <u><u>----</u></u>	\$ <u><u>7,770.14</u></u>	\$ <u><u>4,401.63</u></u>	\$ <u><u>1,467.21</u></u>

3h. Long-term Debt

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2009:

Type of Debt	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due within One Year</u>
Notes Payable-RRH	\$ <u>660,673.18</u>	\$ <u>----</u>	\$ <u>3,581.94</u>	\$ <u>657,091.24</u>	\$ <u>3,582.00</u>
Total	\$ <u><u>660,673.18</u></u>	\$ <u><u>----</u></u>	\$ <u><u>3,581.94</u></u>	\$ <u><u>657,091.24</u></u>	\$ <u><u>3,582.00</u></u>

Annual Debt Service Requirements

Obligations of business-type activities under capital bases at June 30, 2009 are as follows:

<u>Project/Loan #</u>	<u>Date of Note</u>	<u>Length of Note</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Current Balance</u>
Rural Rental Housing Loan- Northview Apartments	12-01-95	50 years	12-01-45	\$ 690,000.00	7.50%	\$ <u><u>660,673.24</u></u>

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3h. Long-term Debt (Continued)

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2009, are as follows:

Year Ending June 30,	Notes Payable Principal	Notes Payable Interest
2010	\$ 3,582.00	\$ 49,428.20
2011	3,910.53	49,148.23
2012	4,187.95	48,846.53
2013	4,513.05	48,521.43
2014	4,863.42	48,171.06
2015-2019	30,601.97	234,570.43
2020-2024	44,473.65	220,698.75
2025-2029	64,633.31	200,539.09
2030-2034	93,931.21	171,241.19
2035-2039	136,509.74	128,662.66
2040-2044	198,388.80	66,783.60
2045	<u>71,077.61</u>	<u>4,065.06</u>
Total	\$ <u>660,673.24</u>	\$ <u>1,270,676.23</u>

3i. Interprogram Transactions

Transfers are used to move revenues from the program that is authorized to transfer them to the program in accordance with budgetary authorizations. Offsetting operating transfers, if any, are eliminated for financial statement presentation.

3j. Unrestricted net assets - Prior-period Error Corrections

Following is the composite of error corrections:

1. Accounts receivable - HUD - correct prior year A/R- HUD	\$ <u>2,996.00</u>
Totals	\$ <u>2,996.00</u>

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 4 - Other Notes

4a. Employee Retirement Plan

Defined Contribution Plan: The Authority has also provided a defined contribution plan. The defined contribution plan is available to all full-time employees not already participating in another plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, investment earnings, and forfeitures of other participants' benefits that may be allocated to such participant's account. Benefits vest at the start of employment. The Authority contributed 7 percent of covered payroll. Employees also contribute 7 percent of covered payroll.

For the year ended June 30, 2009, the following amounts related to the defined contribution plan:

Authority total payroll	\$ 180,899.07
Payroll for covered employees	\$ 180,899.07
Employer (Authority) contributions made	\$ 13,305.40

4b. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The Authority manages these various risks of loss as follows:

Type of Loss	Method Managed
a. Torts, errors and omissions	Purchased insurance with Hunter, Brush & Gossard Insurance & Bonds and Auto Owner's Insurance.
b. Injuries to employees (workers' compensation)	Purchased insurance with Westfield Group Insurance; Claims are administered by Hunter, Brush & Gossard Insurance & Bonds .
c. Physical property loss and natural disasters	Purchased commercial insurance with \$1,000 deductibles.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2009

NOTE 4 - Other Notes (Continued)

4c. Economic Dependency

The Greencastle Housing Authority receives a significant portion of its revenue from funds provided through Federal grants. The grant amounts are appropriated each year at the Federal level. The amount of the funds the Authority receives could be reduced significantly and have an adverse impact on its operations.

4d. Contingencies

The Authority is subject to possible examination by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
NOTES TO THE SCHEDULE OF FEDERAL AWARDS**

Year Ended June 30, 2009

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Fiscal Year</u>	<u>Federal Grantor</u>	<u>Federal CFDA No.</u>	<u>Expenditures</u>
	<u>U.S. Department of HUD</u>		
	<u>Public and Indian Housing</u>		
	<u>Nonmajor - Direct Program</u>		
2009	Emergency Shelter Program	14.231	\$ <u>24,916.71</u>
	<u>Low Income Public Housing</u>		
	<u>Major - Direct Program</u>		
2009	Housing Choice Vouchers	14.871	\$ <u>688,917.09</u>
	<u>U.S. Department of Homeland Security - Federal Emergency Management Agency</u>		
	<u>Nonmajor - Direct Program</u>		
2009	Emergency Food and Shelter Management Program	97.024	\$ <u>14,059.20</u>
	<u>U.S. Department of Agriculture</u>		
	<u>Nonmajor - Direct Program</u>		
2009	Rural Rental Housing	10.415	\$ <u>125,907.00</u>
	Total		\$ <u>853,800.00</u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

NOTE 1 - Significant Accounting Policies

The schedule of federal awards has been prepared on the accrual basis of accounting.

EXHIBIT A
FINANCIAL DATE SCHEDULE

Entity Wide Balance Sheet Summary

IN094

06/30/2009

Audited/A-133

	Project Total	1	14,182	14,871	14,231
111 Cash - Unrestricted		3280		250	18655
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted				53329	
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities		3280	0	53579	18655
100 Total Cash					
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants					
126.2 Allowance for Doubtful Accounts - Other					
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts		0	0	0	0
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets				3332	1503
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From				147236	
145 Assets Held for Sale					
150 Total Current Assets		3280	0	204147	20158

	Project Total	1	14.182	14.871	14.231
161 Land					40000
162 Buildings					254122
163 Furniture, Equipment & Machinery - Dwellings					21275
164 Furniture, Equipment & Machinery - Administration				25621	11602
165 Leasehold Improvements					
166 Accumulated Depreciation				-19301	-116470
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation		0	0	6320	210529
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets		0	0	6320	210529
190 Total Assets		3280	0	210467	230687
311 Bank Overdraft					
312 Accounts Payable <= 90 Days				3	269
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable				1991	742
322 Accrued Compensated Absences - Current Portion				929	63
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs				5064	
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Deferred Revenues					
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					

	Project Total	1	14.182	14.871	14.231
347 Inter Program - Due To					137322
348 Loan Liability - Current					
310 Total Current Liabilities		0	0	7987	138396
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current				2788	189
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities		0	0	2788	189
300 Total Liabilities		0	0	10775	138585
508.1 Invested in Capital Assets, Net of Related Debt				6320	210529
509.2 Fund Balance Reserved					
511.2 Unreserved, Designated Fund Balance					
511.1 Restricted Net Assets				71704	
512.1 Unrestricted Net Assets		3280	0	121668	-118427
512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets		3280	0	199692	92102
600 Total Liabilities and Equity/Net Assets		3280	0	210467	230687

	10.415	83.523	COCC	Subtotal	ELIM
111 Cash - Unrestricted	48924			71109	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	41734			95063	
114 Cash - Tenant Security Deposits	3702			3702	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	94360	0		169874	0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	2626			2626	
126.1 Allowance for Doubtful Accounts - Tenants	-263			-263	
126.2 Allowance for Doubtful Accounts - Other					
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	2363	0		2363	0
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	6448			11283	
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From		3		147239	-147239
145 Assets Held for Sale					
150 Total Current Assets	103171	3		330759	-147239
161 Land	33120			73120	
162 Buildings	725452			979574	
163 Furniture, Equipment & Machinery - Dwellings				21275	
164 Furniture, Equipment & Machinery - Administration	13182			50405	
165 Leasehold Improvements					

	10.415	83.523	COCC	Subtotal	ELIM
166 Accumulated Depreciation	-247626			-383397	
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	524128	0		740977	0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	524128	0		740977	0
190 Total Assets	627299	3		1071736	-147239
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	825			1097	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	839			3572	
322 Accrued Compensated Absences - Current Portion	475			1467	
324 Accrued Contingency Liability					
325 Accrued Interest Payable	4129			4129	
331 Accounts Payable - HUD PHA Programs				5064	
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	3702			3702	
342 Deferred Revenues	267	3		270	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	3582			3582	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To	9917			147239	-147239
348 Loan Liability - Current					
310 Total Current Liabilities	23736	3		170122	-147239
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	657091			657091	

	10.415	83.523	COC	Subtotal	ELIM
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	1424			4401	
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	658515	0		661492	0
300 Total Liabilities	682251	3		831614	-147239
508.1 Invested In Capital Assets, Net of Related Debt	-136545			80304	
509.2 Fund Balance Reserved					
511.2 Unreserved, Designated Fund Balance					
511.1 Restricted Net Assets				71704	
512.1 Unrestricted Net Assets	81593	0		88114	
512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets	-54952	0		240122	0
600 Total Liabilities and Equity/Net Assets	627299	3		1071736	-147239

	Total
111 Cash - Unrestricted	71109
112 Cash - Restricted - Modernization and Development	
113 Cash - Other Restricted	95063
114 Cash - Tenant Security Deposits	3702
115 Cash - Restricted for Payment of Current Liabilities	
100 Total Cash	169874
121 Accounts Receivable - PHA Projects	
122 Accounts Receivable - HUD Other Projects	
124 Accounts Receivable - Other Government	
125 Accounts Receivable - Miscellaneous	
126 Accounts Receivable - Tenants	2626
126.1 Allowance for Doubtful Accounts - Tenants	-263
126.2 Allowance for Doubtful Accounts - Other	
127 Notes, Loans, & Mortgages Receivable - Current	
128 Fraud Recovery	
128.1 Allowance for Doubtful Accounts - Fraud	
129 Accrued Interest Receivable	
120 Total Receivables, Net of Allowances for Doubtful Accounts	2363
131 Investments - Unrestricted	
132 Investments - Restricted	
135 Investments - Restricted for Payment of Current Liability	
142 Prepaid Expenses and Other Assets	11283
143 Inventories	
143.1 Allowance for Obsolete Inventories	
144 Inter Program Due From	0
145 Assets Held for Sale	
150 Total Current Assets	183520
161 Land	73120
162 Buildings	979574
163 Furniture, Equipment & Machinery - Dwellings	21275
164 Furniture, Equipment & Machinery - Administration	50405
165 Leasehold Improvements	

	Total
166 Accumulated Depreciation	-383397
167 Construction in Progress	
168 Infrastructure	
160 Total Capital Assets, Net of Accumulated Depreciation	740977
171 Notes, Loans and Mortgages Receivable - Non-Current	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	
173 Grants Receivable - Non Current	
174 Other Assets	
176 Investments in Joint Ventures	
180 Total Non-Current Assets	740977
190 Total Assets	924497
311 Bank Overdraft	
312 Accounts Payable <= 90 Days	1097
313 Accounts Payable >90 Days Past Due	
321 Accrued Wage/Payroll Taxes Payable	3572
322 Accrued Compensated Absences - Current Portion	1467
324 Accrued Contingency Liability	
325 Accrued Interest Payable	4129
331 Accounts Payable - HUD PHA Programs	5064
332 Account Payable - PHA Projects	
333 Accounts Payable - Other Government	
341 Tenant Security Deposits	3702
342 Deferred Revenues	270
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	3582
344 Current Portion of Long-term Debt - Operating Borrowings	
345 Other Current Liabilities	
346 Accrued Liabilities - Other	
347 Inter Program - Due To	0
348 Loan Liability - Current	
310 Total Current Liabilities	22883
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	657091

	Total
352 Long-term Debt, Net of Current - Operating Borrowings	
353 Non-current Liabilities - Other	
354 Accrued Compensated Absences - Non Current	4401
355 Loan Liability - Non Current	
356 FASB 5 Liabilities	
357 Accrued Pension and OPEB Liabilities	
350 Total Non-Current Liabilities	661492
300 Total Liabilities	684375
508.1 Invested In Capital Assets, Net of Related Debt	80304
509.2 Fund Balance Reserved	
511.2 Unreserved, Designated Fund Balance	
511.1 Restricted Net Assets	71704
512.1 Unrestricted Net Assets	88114
512.2 Unreserved, Undesignated Fund Balance	
513 Total Equity/Net Assets	240122
600 Total Liabilities and Equity/Net Assets	924497

Entity Wide Revenue and Expense Summary

IN094

06/30/2009

Audited/A-133

	Project Total	1	14.182	14.871	14.231
70300 Net Tenant Rental Revenue					8693
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue		0	0	0	8693
70600 HUD PHA Operating Grants				688917	
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					24917
71100 Investment Income - Unrestricted		19		64	5
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets				6486	
71400 Fraud Recovery				75	72263
71500 Other Revenue					
71600 Gain or Loss on Sale of Capital Assets				64	
72000 Investment Income - Restricted		19	0	695606	105878
70000 Total Revenue					
91100 Administrative Salaries				58780	82831
91200 Auditing Fees				3447	
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing				2429	439
91500 Employee Benefit contributions - Administrative				5325	8291

	Project Total	1	14,182	14,871	14,231
91600 Office Expenses					14,231
91700 Legal Expense				7261	2342
91800 Travel				1115	436
91810 Allocated Overhead					
91900 Other				10743	1611
91000 Total Operating - Administrative		0	0	89100	95950
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services		0	0	0	0
93100 Water					2465
93200 Electricity					5197
93300 Gas					3017
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities		0	0	0	10679
94100 Ordinary Maintenance and Operations - Labor					2100
94200 Ordinary Maintenance and Operations - Materials and Other					1895
94300 Ordinary Maintenance and Operations Contracts					1758
94500 Employee Benefit Contributions - Ordinary Maintenance					213
94000 Total Maintenance		0	0	0	5966
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services		0	0	0	0

	Project Total	1	14.182	14.871	14.231
96110 Property Insurance					2101
96120 Liability Insurance				89	1500
96130 Workmen's Compensation				248	
96140 All Other Insurance				156	
96100 Total Insurance Premiums		0	0	493	3601
96200 Other General Expenses				75	5115
96210 Compensated Absences				-5408	-4323
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses		0	0	-5333	792
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost		0	0	0	0
96900 Total Operating Expenses		0	0	84260	116988
97000 Excess of Operating Revenue over Operating Expenses		19	0	611346	-11110
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments				575319	
97350 HAP Portability In					
97400 Depreciation Expense				2076	7414
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses		0	0	661655	124402

	Project Total	1	14.182	14.871	14.231
10010 Operating Transfer In					8395
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out		0	0	0	8395
10100 Total Other financing Sources (Uses)					
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses		19	0	33951	-10129
11020 Required Annual Debt Principal Payments					
11030 Beginning Equity		3261	19626	143119	102231
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		0	-19626	22622	0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity				127988	
11180 Housing Assistance Payments Equity				71704	
11190 Unit Months Available		0	0	2208	12
11210 Number of Unit Months Leased		0	0	1946	12
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					

	Project Total	1	14.182	14.871	14.231
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

	10.415	83.523	COCC	Subtotal	ELIM
70300 Net Tenant Rental Revenue	24770			33463	
70400 Tenant Revenue - Other	7135			7135	
70500 Total Tenant Revenue	31905	0		40598	0
70600 HUD PHA Operating Grants				688917	
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue				0	0
70800 Other Government Grants	125907	14059		164883	
71100 Investment Income - Unrestricted	166			254	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery				6486	
71500 Other Revenue				72338	
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted	132			196	
70000 Total Revenue	158110	14059		973672	0
91100 Administrative Salaries	25071			166682	
91200 Auditing Fees	1942			5389	
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing	1477			4345	
91500 Employee Benefit contributions - Administrative	1581			15197	
91600 Office Expenses	3920			13523	
91700 Legal Expense					
91800 Travel	618			2169	
91810 Allocated Overhead					
91900 Other	6338			18692	

	10.415	83.523	COCC	Subtotal	ELIM
91000 Total Operating - Administrative	40947	0		225997	0
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	0	0		0	0
93100 Water	2269			4734	
93200 Electricity	2416	1781		9394	
93300 Gas				3017	
93400 Fuel					
93500 Labor					
93600 Sewer	3977			3977	
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	8662	1781		21122	0
94100 Ordinary Maintenance and Operations - Labor	22477			24577	
94200 Ordinary Maintenance and Operations - Materials and Other	5270			7165	
94300 Ordinary Maintenance and Operations Contracts	4575			6333	
94500 Employee Benefit Contributions - Ordinary Maintenance	1455			1668	
94000 Total Maintenance	33777	0		39743	0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	0	0		0	0
96110 Property Insurance	7037			9138	
96120 Liability Insurance	414			2003	
96130 Workmen's Compensation	1091			1339	
96140 All Other Insurance	105			261	

	10,415	83,523	COCC	Subtotal	ELIM
96100 Total Insurance Premiums	8647	0		12741	0
96200 Other General Expenses					
96210 Compensated Absences	-629	3883		9073	
96300 Payments in Lieu of Taxes				-10360	
96400 Bad debt - Tenant Rents	894			894	
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	265	3883		-393	0
96710 Interest of Mortgage (or Bonds) Payable	49666			49666	
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	49666	0		49666	0
96900 Total Operating Expenses	141964	5664		348876	0
97000 Excess of Operating Revenue over Operating Expenses	16146	8395		624796	0
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments				575319	
97350 HAP Portability-In					
97400 Depreciation Expense	21293			30783	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	163257	5664		954978	0
10010 Operating Transfer In				8395	-8395
10020 Operating transfer Out		-8395		-8395	8395
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					

	10.415	83.523	COCC	Subtotal	ELIM
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	0	-8395		0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-5147	0		18694	0
11020 Required Annual Debt Principal Payments	3324			3324	
11030 Beginning Equity	-49805	0		218432	
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	0	0		2996	
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity				127988	
11180 Housing Assistance Payments Equity				71704	
11190 Unit Months Available	288	0		2508	
11210 Number of Unit Months Leased	248	0		2206	
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

	Total
70300 Net Tenant Rental Revenue	33463
70400 Tenant Revenue - Other	7135
70500 Total Tenant Revenue	40598
70600 HUD PHA Operating Grants	688917
70610 Capital Grants	
70710 Management Fee	
70720 Asset Management Fee	
70730 Book Keeping Fee	
70740 Front Line Service Fee	
70750 Other Fees	
70700 Total Fee Revenue	0
70800 Other Government Grants	164883
71100 Investment Income - Unrestricted	254
71200 Mortgage Interest Income	
71300 Proceeds from Disposition of Assets Held for Sale	
71310 Cost of Sale of Assets	
71400 Fraud Recovery	6486
71500 Other Revenue	72338
71600 Gain or Loss on Sale of Capital Assets	
72000 Investment Income - Restricted	196
70000 Total Revenue	973672
91100 Administrative Salaries	166682
91200 Auditing Fees	5389
91300 Management Fee	
91310 Book-keeping Fee	
91400 Advertising and Marketing	4345
91500 Employee Benefit contributions - Administrative	15197
91600 Office Expenses	13523
91700 Legal Expense	
91800 Travel	2169
91810 Allocated Overhead	
91900 Other	18692

	Total
91000 Total Operating - Administrative	225997
92000 Asset Management Fee	
92100 Tenant Services - Salaries	
92200 Relocation Costs	
92300 Employee Benefit Contributions - Tenant Services	
92400 Tenant Services - Other	
92500 Total Tenant Services	0
93100 Water	4734
93200 Electricity	9394
93300 Gas	3017
93400 Fuel	
93500 Labor	
93600 Sewer	3977
93700 Employee Benefit Contributions - Utilities	
93800 Other Utilities Expense	
93000 Total Utilities	21122
94100 Ordinary Maintenance and Operations - Labor	24577
94200 Ordinary Maintenance and Operations - Materials and Other	7165
94300 Ordinary Maintenance and Operations Contracts	6333
94500 Employee Benefit Contributions - Ordinary Maintenance	1668
94000 Total Maintenance	39743
95100 Protective Services - Labor	
95200 Protective Services - Other Contract Costs	
95300 Protective Services - Other	
95500 Employee Benefit Contributions - Protective Services	
95000 Total Protective Services	0
96110 Property Insurance	9138
96120 Liability Insurance	2003
96130 Workmen's Compensation	1339
96140 All Other Insurance	261

	Total
96100 Total Insurance Premiums	12741
96200 Other General Expenses	9073
96210 Compensated Absences	-10360
96300 Payments in Lieu of Taxes	
96400 Bad debt - Tenant Rents	894
96500 Bad debt - Mortgages	
96600 Bad debt - Other	
96800 Severance Expense	
96000 Total Other General Expenses	-393
96710 Interest of Mortgage (or Bonds) Payable	49666
96720 Interest on Notes Payable (Short and Long Term)	
96730 Amortization of Bond Issue Costs	
96700 Total Interest Expense and Amortization Cost	49666
96900 Total Operating Expenses	348876
97000 Excess of Operating Revenue over Operating Expenses	624796
97100 Extraordinary Maintenance	
97200 Casualty Losses - Non-capitalized	
97300 Housing Assistance Payments	575319
97350 HAP Portability-In	
97400 Depreciation Expense	30783
97500 Fraud Losses	
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	
90000 Total Expenses	954978
10010 Operating Transfer In	0
10020 Operating transfer Out	0
10030 Operating Transfers from/to Primary Government	
10040 Operating Transfers from/to Component Unit	

	Total
10050 Proceeds from Notes, Loans and Bonds	
10060 Proceeds from Property Sales	
10070 Extraordinary Items, Net Gain/Loss	
10080 Special Items (Net Gain/Loss)	
10091 Inter Project Excess Cash Transfer In	
10092 Inter Project Excess Cash Transfer Out	
10093 Transfers between Program and Project - In	
10094 Transfers between Project and Program - Out	
10100 Total Other financing Sources (Uses)	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	18694
11020 Required Annual Debt Principal Payments	3324
11030 Beginning Equity	218432
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	2996
11050 Changes in Compensated Absence Balance	
11060 Changes in Contingent Liability Balance	
11070 Changes in Unrecognized Pension Transition Liability	
11080 Changes in Special Term/Severance Benefits Liability	
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	
11100 Changes in Allowance for Doubtful Accounts - Other	
11170 Administrative Fee Equity	127988
11180 Housing Assistance Payments Equity	71704
11190 Unit Months Available	2508
11210 Number of Unit Months Leased	2206
11270 Excess Cash	
11610 Land Purchases	
11620 Building Purchases	
11630 Furniture & Equipment - Dwelling Purchases	
11640 Furniture & Equipment - Administrative Purchases	
11650 Leasehold Improvements Purchases	
11660 Infrastructure Purchases	
13510 CFFP Debt Service Payments	
13901 Replacement Housing Factor Funds	

SECTION III
REPORTS ON COMPLIANCE
AND
ON INTERNAL CONTROL

Khan & Co. LLC

**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
Greencastle Housing Authority
Greencastle, Indiana

We have audited the basic financial statements of the Greencastle Housing Authority, Indiana, (Authority) as of and for the year ended June 30, 2009, and have issued our report thereon dated March 5, 2010. We conducted our 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 our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority'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 Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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 Authority's internal control.

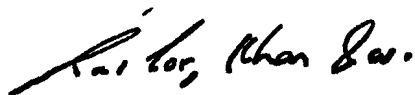
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

The Authority's written response to the significant deficiencies identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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



Sailor, Khan & Co. LLC
March 5, 2010

Khan & Co. LLC**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
Greencastle Housing Authority
Greencastle, Indiana

Compliance

We have audited the compliance of the Greencastle Housing Authority, Indiana, (Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our 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 we 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 the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

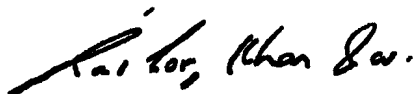
The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal program. In planning and performing our audit, we considered the Authority's internal control over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

A *control deficiency* in an Authority'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 Authority'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 Authority'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 noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Authority's internal control.

Our 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 the Authority's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses as defined above.

This report is intended for the information and use of the Greencastle Housing Authority, Indiana's management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Sailor, Khan & Co. LLC

March 5, 2010

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

SIGNIFICANT DEFICIENCIES COMMUNICATED IN PRIOR YEARS

June 30, 2009

The prior audit report for the year ended June 30, 2008 contained one significant deficiency:

Financial Statement Findings

Finding: Internal Control Procedures
Status: Partially implemented - see current finding #1

Federal Awards Findings

None

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2009

SECTION I - SUMMARY OF AUDITOR RESULTS

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency (ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No
Is a "going concern" explanatory paragraph included in audit report?	No

Federal Awards:

Internal control over major programs:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) on Circular A-133?	No
Identification of major programs:	

CFDA

Number(s)	Name of Federal Program
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14-871	Section 8 Housing Choice Vouchers
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Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

The current audit report for the year ended June 30, 2009 disclosed the following Financial Statement audit findings:

1. Internal Control Procedures

Criteria:

To ensure effectiveness of Internal Control, there needs to be an adequate design of internal controls describing the separation of primary functions. Internal control design must be considered to create effective segregation of primary duties and to strengthen the control environment.

Condition:

We noted that the Authority's internal control procedures are not sufficient.

Questioned Costs:

None.

Effect:

In the absence of adequate internal control procedures there is an increased risk of error and other intentional activities that could affect the integrity of the financial statements or physical custody of assets.

Cause:

The Authority's internal control policy and procedures are not adequate.

Recommendation:

We recommend the Authority's management and its Board design a system of internal control procedures that would address all of the features of an effective internal control system with due consideration to the limitations imposed on the system.

Management's Response/Action Plan:

The Housing Authority will seek information to review and update the Internal Control Procedures. Limited staffing makes this a difficult procedure to accomplish. The Executive Director, Debbie Zigler is responsible for the immediate implementation.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2. Housing Assistance Payments

Criteria:

The Authority must issue Housing Choice Vouchers within the limitations of their budget.

Condition:

The Greencastle Housing Authority over utilized their housing assistance payments during the fiscal year.

Questioned Costs:

None.

Effect:

The financial viability of the Housing Authority is jeopardized by depleting cash reserves.

Cause:

Management was not adequately tracking their number and amount of vouchers issued.

Recommendation:

We recommend management issue vouchers in accordance with HUD guidelines and replenish the funds necessary to restrict unspent housing assistance payments accordingly.

Management's Response/Action Plan:

The Housing Authority will be certain that all restricted unspent housing assistance payments are replenished and maintained according to HUD guidelines. The Executive Director, Debbie Zigler is responsible for the immediate implementation.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2009

SECTION III - FEDERAL AWARD FINDINGS

The current audit report for the year ended June 30, 2009 disclosed no Federal Awards audit findings.