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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, 2009 to June 30, 2010. 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, 2010 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, 2010  
AND  
REPORTS ON COMPLIANCE AND  
ON INTERNAL CONTROL

GREENCASTLE HOUSING AUTHORITY  
Greencastle, Indiana

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Greencastle Housing Authority  
Greencastle, Indiana

We have audited the accompanying financial statements of the Greencastle Housing Authority, Indiana, (Authority) as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

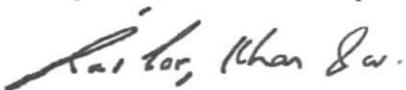
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, 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 the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greencastle Housing Authority, Indiana, as of June 30, 2010, and the changes in financial position and 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 10, 2011, 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 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 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Sailor, Khan & Co. LLC  
March 10, 2011

## Greencastle Housing Authority

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### Management's Discussion and Analysis (MD&A)

June 30, 2010

(Unaudited)

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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, 2010. 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, 2010 were \$237,251. The net assets decreased by \$2,871, a decrease of 1.2% from the prior year.
- ▶ Revenues for the Authority were \$955,903 for the year ended June 30, 2010. This was a decrease of \$16,878 or 1.7% from the prior year.
- ▶ Expenses for the Authority were \$964,007 for the year ended June 30, 2010. This was an increase of \$9,921 or 1.0% over the prior year.
- ▶ Rental revenue for the Authority was \$23,310 for the year ended June 30, 2010, a decrease of \$16,394 or 41.3% from the prior year. HUD operating grants for the Authority was \$693,399 for the year ended June 30, 2010, an increase of \$4,482 or 0.7% over 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, 2010 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 \$237,251 at the close of the year ended June 30, 2010 down from \$240,122 in fiscal year 2009. The decrease in net assets of \$2,871 was due to the reasons noted below.

- ▶ Current and other assets include cash, receivables, and prepaid expenses. Of the \$22,498 decrease in this category, cash decreased \$26,520, receivables increased \$9,960, and prepaid expenses decreased \$5,938.
- ▶ Restricted assets include cash and increased \$43,508 over the prior year.
- ▶ Capital assets decreased \$25,275 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 \$2,115 primarily due to a \$1,281 increase in accounts payable which is amounts owed to vendors and contractors for services rendered or goods purchased in the current fiscal year, but paid in the following fiscal year. The Authority also had a \$1,286 increase in current portion of accrued liability for unpaid vacation and sick leave.
- ▶ Noncurrent liabilities decreased \$3,509 due to current year principal payments on long-term debt.

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

**FINANCIAL ANALYSIS (CONTINUED)**

The unrestricted net assets were \$87,891 as of June 30, 2010. This amount may be used to meet the Authority's ongoing obligations. The restricted assets were \$90,749 as of June 30, 2010. 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>2010</u>	<u>2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 65,959	\$ 88,457	\$ (22,498)	-25.4%
Restricted assets	138,572	95,064	43,508	45.8%
Capital assets	<u>715,702</u>	<u>740,977</u>	<u>(25,275)</u>	-3.4%
Total Assets	<u>920,233</u>	<u>924,498</u>	<u>(4,265)</u>	-0.5%
Current liabilities	24,998	22,883	2,115	9.2%
Noncurrent liabilities	<u>657,984</u>	<u>661,493</u>	<u>(3,509)</u>	-0.5%
Total Liabilities	<u>682,982</u>	<u>684,376</u>	<u>(1,394)</u>	-0.2%
<b>Net Assets</b>				
Invested in capital assets, net of related debt	58,611	80,304	(21,693)	-27.0%
Restricted for HAP	90,749	71,704	19,045	26.6%
Unrestricted	<u>87,891</u>	<u>88,114</u>	<u>(223)</u>	-0.3%
Total Net Assets	<u>\$ 237,251</u>	<u>\$ 240,122</u>	<u>\$ (2,871)</u>	-1.2%

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.

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

**FINANCIAL ANALYSIS (CONTINUED)**

As can be seen in the table on the following page, total revenues decreased \$16,878 due to the reasons noted below.

- ▶ Rental revenue decreased \$16,394 or 41.3% mainly due to a decrease in the average rental charge per unit of \$37.25 or 37.3% in the Rural Rental Housing Program.
- ▶ HUD operating grants for the Housing Choice Voucher program increased \$4,482 or 0.7% from FY 2009.
- ▶ Other operating grants increased \$932 or 0.6% from FY 2009.
- ▶ Interest income decreased \$91 or 20.1% from FY 2009.
- ▶ Other income decreased \$5,807 or 7.4% from FY 2009 due to a decrease in other revenue from the Homeless Shelter program.

Total expenses increased \$9,921 due to the reasons noted below.

- ▶ Of the \$633 increase in personal services, employee wages decreased \$2,628 or 1.5% and employee benefits increased \$3,261 or 19.3%.
- ▶ Of the \$2,031 increase in utilities, water and sewer increased \$2,047 or 23.5%, electricity increased \$805 or 8.6%, and gas decreased \$821 or 27.2%.
- ▶ Operations and maintenance decreased \$2,269 or 16.8% from FY 2009 mostly due to a decrease in maintenance materials purchased during the current fiscal year of \$1,970.
- ▶ Insurance increased \$128 or 1.0% over the prior year due to a 3.6% increase in property insurance expense.
- ▶ Other supplies and expenses decreased \$6,370 or 12.0% mainly due to a decrease in other general expenses for the Homeless Shelter program.
- ▶ Housing assistance payments increased \$15,775 or 2.7% due to an increase in average housing assistance payment of \$8.58 or 2.9%.
- ▶ Interest expense decreased \$259 or 0.5% from FY 2009 due to current year principal payments on outstanding loans.
- ▶ The Authority had a \$252 or 0.8% 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>2010</u>	<u>2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues</b>				
Operating - non-operating:				
Rental revenue	\$ 23,310	\$ 39,704	\$ (16,394)	-41.3%
HUD operating grants	693,399	688,917	4,482	0.7%
Operating grants - other	165,815	164,883	932	0.6%
Interest income	362	453	(91)	-20.1%
Other income	73,017	78,824	(5,807)	-7.4%
Total Revenues	<u>955,903</u>	<u>972,781</u>	<u>(16,878)</u>	-1.7%
<b>Expenses</b>				
Personal services	198,398	197,765	633	0.3%
Utilities	23,153	21,122	2,031	9.6%
Operations and maintenance	11,229	13,498	(2,269)	-16.8%
Insurance	12,868	12,740	128	1.0%
Other supplies and expenses	46,823	53,193	(6,370)	-12.0%
Housing assistance payments	591,094	575,319	15,775	2.7%
Interest expense	49,407	49,666	(259)	-0.5%
Depreciation	31,035	30,783	252	0.8%
Total Expenses	<u>964,007</u>	<u>954,086</u>	<u>9,921</u>	1.0%
Change in net assets	(8,104)	18,695	(26,799)	
Beginning net assets	240,122	221,427	18,695	
Prior period adjustments	<u>5,233</u>	----	<u>5,233</u>	
Beginning net assets, adjusted	<u>245,355</u>	<u>221,427</u>	<u>23,928</u>	
Ending net assets	<u>\$ 237,251</u>	<u>\$ 240,122</u>	<u>\$ (2,871)</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 89.6% occupancy level in FY 2010, up from 86.1% in FY 2009.
2. Section 8 Housing Choice Vouchers - Authorized to assist 184 households with rental assistance. The lease-up rate for FY 2010 was 88.0%, down slightly from 88.1% in FY 2009.
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, 2010 amounts to \$58,611 (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 3.4% in terms of net book value. Actual expenditures to purchase or construct capital assets from revenues and capital contributions were \$6,271 for the year. Depreciation charges for the year totaled \$31,546. Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Deductions	Deduction Depreciation	Ending
Capital assets	\$740,977	\$6,271	\$(31,546)	\$(1,877)	\$1,877	\$715,702

*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, 2010 was \$657,091 down from \$660,673 in FY 2009. 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 \$467,351 for housing assistance payments for the months of July 2010 through February 2011 in the Housing Choice Voucher Program. The Authority also has \$90,749 available in HAP Reserves to be used for housing assistance payments. Based on the average housing assistance payment per unit of \$304.22 for FY 2010, the Authority will have sufficient funding and reserves to lease 99.7% of its authorized vouchers from July 2010 through April 2011. HUD has not established funding levels for the remaining two months of next fiscal year. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2011 and adjusted for pro-ration which is currently at 92.164%.

**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, 2010

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 48,289.49
Receivable - net of allowances:	
Accounts	12,322.53
Prepaid expenses	<u>5,346.30</u>
Total Current Assets	<u>65,958.32</u>

Noncurrent Assets:

Restricted assets:

Cash and cash equivalents	<u>138,572.33</u>
Total restricted assets	<u>138,572.33</u>

Capital assets:

Land, improvements, and construction in progress	73,120.00
Other capital assets, net of depreciation	<u>642,582.10</u>
Total capital assets- net	<u>715,702.10</u>
Total Noncurrent Assets	<u>854,274.43</u>
Total Assets	<u>\$ 920,232.75</u>

See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2010

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 7,442.22
Accrued salaries, wages and benefits	3,413.06
Accrued compensated absences	2,753.45
Tenant security deposit liability	2,908.00
Interest payable	4,106.82
Current portion of long term debt	3,911.00
Deferred revenues	<u>463.00</u>

Total Current Liabilities	<u>24,997.55</u>
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Noncurrent Liabilities:

Long term debt	653,179.94
Accrued compensated absences	<u>4,804.06</u>

Total Noncurrent Liabilities	<u>657,984.00</u>
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Total Liabilities	<u>682,981.55</u>
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**NET ASSETS**

Invested in capital assets, net of related debt	58,611.16
Restricted for:	
HAP	90,749.12
Unrestricted	<u>87,890.92</u>

Total Net Assets	<u>237,251.20</u>
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Total Liabilities and Net Assets	<u><u>\$ 920,232.75</u></u>
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See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**

For Year Ended June 30, 2010

<b>Operating Revenues:</b>	
Rental revenue	\$ 23,309.84
Operating subsidies- HUD grants	693,398.51
Operating subsidies- other grants	165,814.60
Other revenues	<u>73,017.29</u>
Total operating revenues	<u>955,540.24</u>
<b>Operating Expenses:</b>	
Personal services	198,397.80
Utilities	23,152.94
Operations and maintenance	11,229.18
Insurance	12,867.56
Other supplies and expenses	46,823.03
Housing assistance payments	591,094.31
Depreciation	<u>31,034.52</u>
Total operating expenses	<u>914,599.34</u>
Operating income (loss)	<u>40,940.90</u>
<b>Non-operating revenues (expenses):</b>	
Interest and investment earnings	361.53
Interest expense	<u>(49,406.63)</u>
Net non-operating revenues (expenses)	<u>(49,045.10)</u>
Change in net assets	(8,104.20)
Net assets at beginning of year	240,121.90
Prior period error corrections	<u>5,233.50</u>
Net assets adjusted at beginning of year	<u>245,355.40</u>
Net assets at end of year	<u><u>\$ 237,251.20</u></u>

See notes to financial statements

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**STATEMENT OF CASH FLOWS**

For Year Ended June 30, 2010

**Cash flows from operating activities:**

Cash received from tenants	\$ 24,507.67
Cash received from HUD grants- operating	691,226.00
Cash received from other grants	154,850.80
Cash received from other operating activities	73,017.29
Cash payments for goods and services	(678,072.53)
Cash payments to employees-salaries	(169,327.57)
Cash payments to employees-compensated absences	(6,783.76)
Cash payments for employee benefit contributions	<u>(20,126.63)</u>
Net cash provided (used) by operating activities	<u>69,291.27</u>

**Cash flows from capital and related financing activities:**

Payments for capital assets	1,140.83
Principal paid on capital debt	(3,582.30)
Interest paid on capital debt	<u>(49,429.02)</u>
Net cash (used) for capital and related financing activities	<u>(51,870.49)</u>

**Cash flows from investing activities:**

Interest and dividends	361.53
Receipts (payments) from tenant security deposits	<u>(794.00)</u>
Net cash provided (used) from investing activities	<u>(432.47)</u>

Net increase (decrease) in cash and cash equivalents	16,988.31
Cash and cash equivalents at beginning of year	<u>169,873.51</u>

Cash and cash equivalents at end of year	<u>\$ 186,861.82</u>
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Cash and cash equivalents	\$ 48,289.49
Restricted cash and cash equivalents	<u>138,572.33</u>

Total cash and cash equivalents at end of year	<u>\$ 186,861.82</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, 2010

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

Operating income (loss)	\$	40,940.90
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		31,034.52
Allowance for doubtful accounts		5,337.43
Changes in assets and liabilities:		
Receivables		(15,296.87)
Prepaid expenses		5,937.79
Accounts and other payables		(1,015.81)
Deferred revenues		193.47
Compensated absences		1,688.67
Accrued expenses		<u>471.17</u>
Net cash provided (used) by operating activities	\$	<u><u>69,291.27</u></u>

See notes to financial statements



GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1b. Basis of Presentation (Continued)

Following is a description of the Authority's programs:

<b>Program</b>	<b>Brief Description</b>
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.
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.
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.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

NOTE 1 - Summary of Significant Accounting Policies (Continued)

**1b. Basis of Presentation (Continued)**

<b>Program</b>	<b>Brief Description</b>
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.

**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.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2010

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

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

**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 and accounts receivable - other 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, 2010

**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 two 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, 2010

**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:

<b>Program</b>	<b>Required By</b>
Housing Choice Vouchers	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, 2010

**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, 2010, 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, 2010, the Authority's bank balances of \$189,128.72, 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, 2010

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

**3b. Restricted Assets**

The restricted assets as of June 30, 2010, are as follows:

Type of Restricted Assets	Cash Including Time Deposits	Investments	Total
Rural Rental Housing Reserve Acct.	\$ 47,823.21	\$ ----	\$ 47,823.21
Unspent Housing Assistance Payments	<u>90,749.12</u>	<u>----</u>	<u>90,749.12</u>
	<u>\$ 138,572.33</u>	<u>\$ ----</u>	<u>\$ 138,572.33</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, 2010, is as follows:

Tenant accounts receivable	\$ 6,961.53
Allowance for doubtful accounts	<u>(5,600.00)</u>
Tenants accounts receivable - net	1,361.53
Accounts receivable - other	<u>10,961.00</u>
	<u>\$ 12,322.53</u>

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

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

**3d. Capital Assets**

Capital asset activity for the year ended June 30, 2010, was as follows:

	<b>Balance July 1, 2009</b>	<b>Additions</b>	<b>(Deductions)</b>	<b>Balance June 30, 2010</b>
Land	\$ 73,120.00	\$ ----	\$ ----	\$ 73,120.00
Building	979,574.59	1,156.05	----	980,730.64
Furniture, equipment and machinery- dwelling	21,274.71	5,115.00	----	26,389.71
Furniture, equipment and machinery- administration	<u>50,404.77</u>	<u>----</u>	<u>(1,877.00)</u>	<u>48,527.77</u>
	1,124,374.07	<u>\$ 6,271.05</u>	<u>\$ (1,877.00)</u>	1,128,768.12
Accumulated depreciation	<u>383,397.00</u>	<u>\$ 31,546.02</u>	<u>\$ (1,877.00)</u>	<u>413,066.02</u>
Total	<u>\$ 740,977.07</u>			<u>\$ 715,702.10</u>

**3e. Accounts Payable**

Payable detail at June 30, 2010, is as follows:

Accounts payable - vendors	\$ 4,550.82
Accounts payable - HUD PHA programs	<u>2,891.40</u>
	<u>\$ 7,442.22</u>

**3f. Compensated Absences**

Accumulated unpaid compensated absences are accrued. The liability for compensated absences at June 30, 2010 is \$7,557.51.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

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

**3g. Non-current Liabilities**

As of June 30, 2010, the non-current liabilities are comprised of the following:

Accrued compensated absences - non current portion	\$ <u>4,804.06</u>
Total	\$ <u><u>4,804.06</u></u>

The following is a summary of changes in non-current liabilities for the year ended June 30, 2010:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ <u>4,401.63</u>	\$ <u>402.43</u>	\$ <u>----</u>	\$ <u>4,804.06</u>	\$ <u>2,753.45</u>
Total	\$ <u><u>4,401.63</u></u>	\$ <u><u>402.43</u></u>	\$ <u><u>----</u></u>	\$ <u><u>4,804.06</u></u>	\$ <u><u>2,753.45</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, 2010:

Type of Debt	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>	<u>Amounts Due within One Year</u>
Notes Payable-RRH	\$ <u>657,091.24</u>	\$ <u>----</u>	\$ <u>3,911.30</u>	\$ <u>653,179.94</u>	\$ <u>3,911.00</u>
Total	\$ <u><u>657,091.24</u></u>	\$ <u><u>----</u></u>	\$ <u><u>3,911.30</u></u>	\$ <u><u>653,179.94</u></u>	\$ <u><u>3,911.00</u></u>

**Annual Debt Service Requirements**

Obligations of business-type activities under capital bases at June 30, 2010 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>657,090.94</u></u>

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

**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, 2010, are as follows:

Year Ending June 30,	<u>Notes Payable Principal</u>	<u>Notes Payable Interest</u>
2011	\$ 3,911.00	\$ 49,150.01
2012	4,163.71	48,848.32
2013	4,513.37	48,523.15
2014	4,863.74	48,172.78
2015	5,241.33	47,795.19
2016-2020	32,979.82	232,202.78
2021-2025	47,929.38	217,253.22
2026-2030	69,655.50	195,527.10
2031-2035	101,229.94	163,952.66
2036-2040	147,116.93	118,065.67
2041-2045	213,804.14	51,378.46
2045	<u>21,682.08</u>	<u>408.12</u>
Total	<u>\$ 657,090.94</u>	<u>\$ 1,221,277.46</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. Accrued payroll -correct accrued wages	\$ 630.00
2. Furniture, equipment and machinery - administration - correct prior year	5,115.00
9. Accumulated depreciation - correct prior year	<u>(511.50)</u>
Totals	<u>\$ 5,233.50</u>

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

**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, 2010, the following amounts related to the defined contribution plan:

Authority total payroll	\$ 176,791.89
Payroll for covered employees	\$ 176,591.58
Employer (Authority) contributions made	\$ 12,361.41

**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.

**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.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2010

**NOTE 4 - Other Notes (Continued)**

**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, 2010

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Fiscal Year</u>	<u>Federal Grantor</u>	<u>Federal CFDA No.</u>	<u>Expenditures</u>
<b><u>U.S. Department of HUD</u></b>			
<b><u>Low Income Public Housing</u></b>			
<b><u>Major - Direct Program</u></b>			
2010	Housing Choice Vouchers	14.871	\$ <u>693,398.51</u>
<b><u>Public and Indian Housing</u></b>			
<b><u>Nonmajor - Direct Program</u></b>			
2010	Emergency Shelter Program	14.231	\$ <u>18,075.80</u>
<b><u>U.S. Department of Homeland Security - Federal Emergency Management Agency</u></b>			
<b><u>Nonmajor - Direct Program</u></b>			
2010	Emergency Food and Shelter Management Program	97.024	\$ <u>24,735.80</u>
<b><u>U.S. Department of Agriculture</u></b>			
<b><u>Nonmajor - Direct Program</u></b>			
2010	Rural Rental Housing	10.415	\$ <u>123,003.00</u>
	<b>Total</b>		\$ <u>859,213.11</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

Housing Authority of the City of Greencastle (IN094)

Greencastle, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

143 Inventories					
142 Prepaid Expenses and Other Assets	\$1,532	\$3,669	\$146		
135 Investments - Restricted for Payment of Current Liability					
132 Investments - Restricted					
131 Investments - Unrestricted					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$12,323	\$0		
129 Accrued Interest Receivable					
128.1 Allowance for Doubtful Accounts - Fraud					
128 Fraud Recovery					
127 Notes, Loans, & Mortgages Receivable - Current					
126.2 Allowance for Doubtful Accounts - Other		\$0			
126.1 Allowance for Doubtful Accounts - Tenants		-\$5,600			
126 Accounts Receivable - Tenants		\$6,962			
125 Accounts Receivable - Miscellaneous					
124 Accounts Receivable - Other Government		\$10,961			
122 Accounts Receivable - HUD Other Projects					
121 Accounts Receivable - PHA Projects					
100 Total Cash	\$7,735	\$82,973	\$92,873	\$3,280	
115 Cash - Restricted for Payment of Current Liabilities					
114 Cash - Tenant Security Deposits		\$2,908			
113 Cash - Other Restricted		\$47,823	\$90,749		
112 Cash - Restricted - Modernization and Development					
111 Cash - Unrestricted	\$7,735	\$32,242	\$2,124	\$3,280	
14,231 Emergency Shelter Grants Program					
97,024 Emergency Food and Shelter National Board Program					
10,415 Rural Rental Housing Loans					
14,871 Housing Choice Vouchers					
1 Business Activities					



Housing Authority of the City of Greencastle (IN094)

Greencastle, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

						313 Accounts Payable >90 Days Past Due
				\$1,187	\$404	321 Accrued Wage/Payroll Taxes Payable
				\$456	\$730	322 Accrued Compensated Absences - Current Portion
						324 Accrued Contingency Liability
					\$4,107	325 Accrued Interest Payable
					\$2,891	331 Accounts Payable - HUD PHA Programs
						332 Account Payable - PHA Projects
						333 Accounts Payable - Other Government
					\$2,908	341 Tenant Security Deposits
					\$462	342 Deferred Revenues
					\$3,911	343 Current Portion of Long-term Debt - Capital Projects/Mortgage
						344 Current Portion of Long-term Debt - Operating Borrowings
						345 Other Current Liabilities
						346 Accrued Liabilities - Other
				\$125,523	\$1,997	347 Inter Program - Due To
						348 Loan Liability - Current
				\$129,731	\$0	310 Total Current Liabilities
						351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue
					\$653,180	352 Long-term Debt, Net of Current - Operating Borrowings
						353 Non-current Liabilities - Other
						354 Accrued Compensated Absences - Non Current
				\$297	\$1,602	355 Loan Liability - Non Current
						356 FASB 5 Liabilities
						357 Accrued Pension and OPEB Liabilities
				\$297	\$654,782	350 Total Non-Current Liabilities
					\$2,906	
					\$0	

Housing Authority of the City of Greencastle (IN094)

Greencastle, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

14.231 Emergency Shelter Grants Program	97.024 Emergency Food and Shelter National Board Program	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	1 Business Activities					
\$130,028	\$0	\$671,008	\$9,466	\$0					
508.1 Invested in Capital Assets, Net of Related Debt	\$207,206	-\$152,840	\$4,244						
509.2 Fund Balance Reserved									
511.2 Unreserved, Designated Fund Balance									
511.1 Restricted Net Assets			\$90,749						
512.1 Unrestricted Net Assets	-\$120,761	\$85,048	\$120,324	\$3,280					
512.2 Unreserved, Undesignated Fund Balance									
513 Total Equity/Net Assets	\$86,445	-\$67,792	\$215,317	\$3,280					
600 Total Liabilities and Equity/Net Assets	\$216,473	\$603,216	\$224,783	\$3,280					

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

		Subtotal	ELIM	Total
111 Cash - Unrestricted		\$45,381		\$45,381
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$138,572		\$138,572
114 Cash - Tenant Security Deposits		\$2,908		\$2,908
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash		\$186,861	\$0	\$186,861
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government		\$10,961		\$10,961
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants		\$6,962		\$6,962
126.1 Allowance for Doubtful Accounts - Tenants		-\$5,600		-\$5,600
126.2 Allowance for Doubtful Accounts - Other		\$0		\$0
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		\$12,323	\$0	\$12,323
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets		\$5,347		\$5,347
143 Inventories				
143.1 Allowance for Obsolete Inventories				

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

	Subtotal	ELIM	Total
144 Inter Program Due From	\$127,520	-\$127,520	\$0
145 Assets Held for Sale			
150 Total Current Assets	\$332,051	-\$127,520	\$204,531
161 Land	\$73,120		\$73,120
162 Buildings	\$980,730		\$980,730
163 Furniture, Equipment & Machinery - Dwellings	\$26,390		\$26,390
164 Furniture, Equipment & Machinery - Administration	\$48,527		\$48,527
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$413,066		-\$413,066
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$715,701	\$0	\$715,701
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	\$715,701	\$0	\$715,701
190 Total Assets	\$1,047,752	-\$127,520	\$920,232
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$4,550		\$4,550
313 Accounts Payable >90 Days Past Due			

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

	Subtotal	ELIM	Total
321	\$3,414		\$3,414
322	\$2,754		\$2,754
324			
325	\$4,107		\$4,107
331	\$2,891		\$2,891
332			
333			
341	\$2,908		\$2,908
342	\$462		\$462
343	\$3,911		\$3,911
344			
345			
346			
347	\$127,520	-\$127,520	\$0
348			
310	\$152,517	-\$127,520	\$24,997
351	\$653,180		\$653,180
352			
353			
354	\$4,805		\$4,805
355			
356			
357			
350	\$657,985	\$0	\$657,985

Housing Authority of the City of Greencastle (IN094)

Greencastle, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

	Subtotal	ELIM	Total
300 Total Liabilities	\$810,502	-\$127,520	\$682,982
508.1 Invested in Capital Assets, Net of Related Debt	\$58,610		\$58,610
509.2 Fund Balance Reserved			
511.2 Unreserved, Designated Fund Balance			
511.1 Restricted Net Assets	\$90,749		\$90,749
512.1 Unrestricted Net Assets	\$87,891		\$87,891
512.2 Unreserved, Undesignated Fund Balance			
513 Total Equity/Net Assets	\$237,250	\$0	\$237,250
600 Total Liabilities and Equity/Net Assets	\$1,047,752	-\$127,520	\$920,232

Housing Authority of the City of Greencastle (IN094)  
Greencastle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

14,231 Emergency Shelter Grants Program	97,024 Emergency Food and Shelter National Board Program	10,415 Rural Rental Housing Loans	14,871 Housing Choice Vouchers	1 Business Activities	
70300 Net Tenant Rental Revenue	\$7,390	\$16,158			
70400 Tenant Revenue - Other		\$4,610			
70500 Total Tenant Revenue	\$7,390	\$20,768	\$0	\$0	
70600 HUD PHA Operating Grants			\$693,399		
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	\$18,076	\$123,003			
71100 Investment Income - Unrestricted	\$2	\$133	\$3		
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			\$532		
71500 Other Revenue	\$72,410	\$41	\$33		
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted		\$89	\$135		
70000 Total Revenue	\$97,878	\$24,736	\$694,102	\$0	
91100 Administrative Salaries	\$83,974	\$19,160	\$43,842		

Housing Authority of the City of Greencastle (IN094)  
Greencastle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

					91200 Auditing Fees
	\$3,280	\$1,406			
					91300 Management Fee
					91310 Book-keeping Fee
					91400 Advertising and Marketing
	\$100				91500 Employee Benefit contributions - Administrative
	\$10,761	\$1,192		\$6,381	91600 Office Expenses
	\$13,328	\$5,896		\$2,998	91700 Legal Expense
	\$1,099	\$862		\$393	91800 Travel
					91810 Allocated Overhead
	\$6,192	\$2,072		\$995	91900 Other
	\$78,602	\$30,588	\$0	\$94,741	91000 Total Operating - Administrative
					92000 Asset Management Fee
					92100 Tenant Services - Salaries
					92200 Relocation Costs
					92300 Employee Benefit Contributions - Tenant Services
					92400 Tenant Services - Other
	\$0	\$0	\$0	\$0	92500 Total Tenant Services
					93100 Water
	\$7,285		\$3,471		93200 Electricity
	\$2,615	\$1,808	\$5,778	\$2,196	93300 Gas
					93400 Fuel
					93500 Labor
					93600 Sewer
					93700 Employee Benefit Contributions - Utilities

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

					93800 Other Utilities Expense
					93000 Total Utilities
			\$1,808	\$11,445	
		\$9,900			
		\$0			
					94100 Ordinary Maintenance and Operations - Labor
		\$19,319		\$1,478	
					94200 Ordinary Maintenance and Operations - Materials and Other
		\$4,194		\$980	
					94300 Ordinary Maintenance and Operations Contracts
		\$4,988		\$926	
					94500 Employee Benefit Contributions - Ordinary Maintenance
		\$1,185		\$115	
					94000 Total Maintenance
		\$29,686	\$0	\$3,499	
					95100 Protective Services - Labor
					95200 Protective Services - Other Contract Costs
					95300 Protective Services - Other
					95500 Employee Benefit Contributions - Protective Services
		\$0	\$0	\$0	
					96110 Property Insurance
		\$7,341		\$2,122	
					96120 Liability Insurance
		\$259		\$1,526	
					96130 Workmen's Compensation
		\$1,081			
					96140 All Other Insurance
		\$78			
					96100 Total Insurance Premiums
		\$8,759	\$0	\$3,648	
					96200 Other General Expenses
			\$8,202		
					96210 Compensated Absences
		\$2,653		\$2,235	
					96300 Payments in Lieu of Taxes
		\$3,584			
					96400 Bad debt - Tenant Rents
		\$4,848			
					96500 Bad debt - Mortgages

Housing Authority of the City of Greencastle (IN094)  
Greencastle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

					96600 Bad debt - Other
					96800 Severance Expense
					96000 Total Other General Expenses
					96710 Interest of Mortgage (or Bonds) Payable
			\$49,407		96720 Interest on Notes Payable (Short and Long Term)
					96730 Amortization of Bond Issue Costs
					96700 Total Interest Expense and Amortization Cost
			\$0	\$0	96900 Total Operating Expenses
			\$10,010	\$115,568	97000 Excess of Operating Revenue over Operating Expenses
			\$8,193	-\$17,690	97100 Extraordinary Maintenance
					97200 Casualty Losses - Non-capitalized
					97300 Housing Assistance Payments
					97350 HAP Portability-In
					97400 Depreciation Expense
			\$21,033	\$7,926	97500 Fraud Losses
					97600 Capital Outlays - Governmental Funds
					97700 Debt Principal Payment - Governmental Funds
					97800 Dwelling Units Rent Expense
					90000 Total Expenses
			\$10,010	\$123,494	10010 Operating Transfer In
				\$14,726	10020 Operating transfer Out
			-\$14,726		
14,231 Emergency Shelter Grants Program					
97,024 Emergency Food and Shelter National Board Program					
10,415 Rural Rental Housing Loans					
14,871 Housing Choice Vouchers					
1 Business Activities					



Housing Authority of the City of Greencastle (IN094)  
Greencastle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

14,231 Emergency Shelter Grants Program	97,024 Emergency Food and Shelter National Board Program	10,415 Rural Rental Housing Loans	14,871 Housing Choice Vouchers	1 Business Activities	
			1943		
					11210 Number of Unit Months Leased
					12
		288			
					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

Housing Authority of the City of Greencastle (IN094)

Greencastle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

		Subtotal	ELIM	Total
70300	Net Tenant Rental Revenue	\$23,548		\$23,548
70400	Tenant Revenue - Other	\$4,610		\$4,610
70500	Total Tenant Revenue	\$28,158	\$0	\$28,158
70600	HUD PHA Operating Grants	\$693,399		\$693,399
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	\$0
70800	Other Government Grants	\$165,815		\$165,815
71100	Investment Income - Unrestricted	\$138		\$138
71200	Mortgage Interest Income			
71300	Proceeds from Disposition of Assets Held for Sale			
71310	Cost of Sale of Assets			
71400	Fraud Recovery	\$532		\$532
71500	Other Revenue	\$72,484		\$72,484
71600	Gain or Loss on Sale of Capital Assets			
72000	Investment Income - Restricted	\$224		\$224
70000	Total Revenue	\$960,750	\$0	\$960,750
91100	Administrative Salaries	\$146,976		\$146,976
91200	Auditing Fees	\$4,686		\$4,686

Housing Authority of the City of Greencastle (IN094)

Greencastle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

		Subtotal	ELIM	Total
91300	Management Fee			
91310	Book-keeping Fee			
91400	Advertising and Marketing	\$100		\$100
91500	Employee Benefit contributions - Administrative	\$18,334		\$18,334
91600	Office Expenses	\$22,222		\$22,222
91700	Legal Expense			
91800	Travel	\$2,354		\$2,354
91810	Allocated Overhead			
91900	Other	\$9,259		\$9,259
91000	Total Operating - Administrative	\$203,931	\$0	\$203,931
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
93100	Water	\$10,756		\$10,756
93200	Electricity	\$10,201		\$10,201
93300	Gas	\$2,196		\$2,196
93400	Fuel			
93500	Labor			
93600	Sewer			
93700	Employee Benefit Contributions - Utilities			
93800	Other Utilities Expense			

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

		Subtotal	ELIM	Total
93000	Total Utilities	\$23,153	\$0	\$23,153
94100	Ordinary Maintenance and Operations - Labor	\$22,823		\$22,823
94200	Ordinary Maintenance and Operations - Materials and Other	\$5,195		\$5,195
94300	Ordinary Maintenance and Operations Contracts	\$6,034		\$6,034
94500	Employee Benefit Contributions - Ordinary Maintenance	\$1,793		\$1,793
94000	Total Maintenance	\$35,845	\$0	\$35,845
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
96110	Property Insurance	\$9,463		\$9,463
96120	Liability Insurance	\$2,026		\$2,026
96130	Workmen's Compensation	\$1,118		\$1,118
96140	All Other Insurance	\$261		\$261
96100	Total Insurance Premiums	\$12,868	\$0	\$12,868
96200	Other General Expenses	\$8,202		\$8,202
96210	Compensated Absences	\$8,472		\$8,472
96300	Payments in Lieu of Taxes			
96400	Bad debt - Tenant Rents	\$4,848		\$4,848
96500	Bad debt - Mortgages			
96600	Bad debt - Other			

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

	Subtotal	ELIM	Total
96800			Severance Expense
96000	\$21,522	\$0	Total Other General Expenses
96710	\$49,407		Interest of Mortgage (or Bonds) Payable
96720	\$49,407		Interest on Notes Payable (Short and Long Term)
96730			Amortization of Bond Issue Costs
96700	\$49,407	\$0	Total Interest Expense and Amortization Cost
96900	\$346,726	\$0	Total Operating Expenses
97000	\$614,024	\$0	Excess of Operating Revenue over Operating Expenses
97100			Extraordinary Maintenance
97200			Casualty Losses - Non-capitalized
97300	\$591,094		Housing Assistance Payments
97350			HAP Portability-In
97400	\$31,035		Depreciation Expense
97500			Fraud Losses
97600			Capital Outlays - Governmental Funds
97700			Debt Principal Payment - Governmental Funds
97800			Dwelling Units Rent Expense
90000	\$968,855	\$0	Total Expenses
10010	\$14,726	-\$14,726	Operating Transfer In
10020	-\$14,726		Operating transfer Out
10030			Operating Transfers from/to Primary Government

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

	Subtotal	ELIM	Total
1040 Operating Transfers from/to Component Unit			
1050 Proceeds from Notes, Loans and Bonds			
1060 Proceeds from Property Sales			
1070 Extraordinary Items, Net Gain/Loss			
1080 Special Items (Net Gain/Loss)			
1091 Inter Project Excess Cash Transfer In			
1092 Inter Project Excess Cash Transfer Out			
1093 Transfers between Program and Project - In			
1094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
1000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$8,105	\$0	-\$8,105
11020 Required Annual Debt Principal Payments	\$3,582		\$3,582
11030 Beginning Equity	\$240,122		\$240,122
11040 Prior Period Adjustments, Equity Transfers and Correction of	\$5,233		\$5,233
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	\$124,568		\$124,568
11180 Housing Assistance Payments Equity	\$90,749		\$90,749
11190 Unit Months Available	2508		2508
11210 Number of Unit Months Leased	2243		2243

Housing Authority of the City of Greencastle (IN094)  
 Greencastle, IN  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2010

	Subtotal	ELIM	Total
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

**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 financial statements of the Greencastle Housing Authority, Indiana, (Authority) as of and for the year ended June 30, 2010, and have issued our report thereon dated March 10, 2011. 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.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

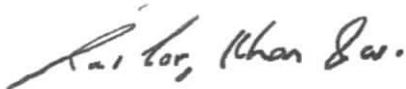
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. The deficiency is on page 7. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs. The deficiency is on page 7.

The Authority's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response 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 10, 2011

**Report on Compliance with Requirements That Could Have a Direct  
and Material Effect on 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 Greencastle Housing Authority, Indiana, (Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2010. 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 of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

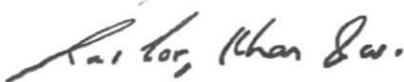
**Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing 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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely 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 10, 2011

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**SIGNIFICANT DEFICIENCIES COMMUNICATED IN PRIOR YEARS**

June 30, 2010

The prior audit report for the year ended June 30, 2009 contained a total of two significant deficiencies:

**Financial Statement Findings**

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

**Finding:** Housing Assistance Payments  
**Status:** Implemented

**Federal Awards Findings**

None.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2010

**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:	

<b>CFDA</b>	
<b>Number(s)</b>	<b>Name of Federal Program</b>
14-871	Section 8 Housing Choice Vouchers
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

June 30, 2010

**SECTION II - FINANCIAL STATEMENT FINDINGS**

The current audit report for the year ended June 30, 2010 disclosed the following Financial Statement audit finding:

1. Written acknowledgment

Criteria:

To ensure effectiveness of internal control, there needs to be an adequate division of duties among those who perform accounting procedures or control activities and those who handle assets. If segregation of duties is not feasible due to the limited staffing then compensating controls must be designed, employed and acknowledged in writing. Although it is a basic key internal control and one of the most difficult to achieve, it must be considered and addressed in an effective manner to strengthen the control environment.

Condition:

The Housing Authority did not acknowledge in writing the performance of internal control procedures. We noted the Authority did not provide written acknowledgment on deposit slips from the person preparing the document and the person reviewing the deposit. Also the Authority did not provide adequate written acknowledgment of approval on invoices.

Questioned Costs:

None.

Effect:

With lack of written acknowledgment it is not apparent that internal control functions are being performed. This creates 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 PHA was unaware written acknowledgment was necessary.

Recommendation:

We recommend that the Authority amend their internal control procedures to include written acknowledgment.

Management's Response/Action Plan:

The Housing Authority's Executive Director, Debbie Zigler, will seek information to review and update the Internal Control Procedures. Limited staffing makes this a difficult procedure to accomplish. Additional initialing of invoices and monthly information from the fee accountant has already been implemented. This should provide the additional written acknowledgment on the invoices for internal control practices. All invoices, monthly fee accountant information and deposits are being initialed by two individuals within the office or Board of Commissioners. All invoices are approved on a monthly basis by the Board of Commissioners as evidenced in the official minutes of the meeting.

GREENCASTLE HOUSING AUTHORITY

Greencastle, Indiana

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

June 30, 2010

**SECTION III - FEDERAL AWARD FINDINGS**

The current audit report for the year ended June 30, 2010 disclosed no Federal Awards audit findings.