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State Examiner

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January 14, 2025

Board of Directors
Greendale Housing Authority
Dearborn County, Indiana

We have reviewed the audit report of Greendale Housing Authority, which was opined upon by Barry E. Gaudette, CPA, Independent Public Accountant, for the period April 1, 2023 to March 31, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Greendale Housing Authority as of March 31, 2024, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

INDIANA

GREENDALE HOUSING AUTHORITY
DEARBORN COUNTY, INDIANA
FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024
AND
REPORTS ON INTERNAL CONTROL AND COMPLIANCE

GREENDALE HOUSING AUTHORITY
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MARCH 31, 2024

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INTRODUCTION

Barry E. Gaudette, CPA, PC
3149 Lake Meadows Circle
Traverse City, Michigan 49685

Independent Auditor's Report

Board of Commissioners
Greendale Housing Authority
Dearborn County, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Greendale Housing Authority ("the Authority) as of and for the year ended March 31, 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of March 31, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greendale Housing Authority's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greendale Housing Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greendale Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Required Supplementary Information (Continued)

Accounting principles generally accepted in the United States of America require that the management's discussion, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplemental data, including the financial data schedule are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements.

The financial data schedule, which can be found at the end of the report, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2024, 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 effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Barry E. Gaudette, CPA, PC

September 4, 2024

Greendale Housing Authority
Management's Discussion and Analysis (MD&A)
March 31, 2024
(Unaudited)

As management of the Greendale Housing Authority we offer reviewers of this audit report this narrative discussion and analysis of the Greendale Housing Authority's financial activities for the fiscal year ended March 31, 2024. This discussion and analysis letter of the Greendale Housing Authority's financial performance should be read in conjunction with the auditor's opinion letter and the following financial statements.

The combined financial statements reflect all of the Housing Authority's federally funded programs and activities in one place. The Housing Authority reports all its activities and programs using the Enterprise Fund type model. HUD encourages PHAs to use this accounting method as it is normally used to account for "business-type activities" – activities similar to those found in the private sector. Enterprise Fund types use the accrual method of accounting, the same accounting method employed by most private-sector businesses. Under this method, revenues and expenditures may be reported as such even though no cash transaction has actually taken place.

FINANCIAL HIGHLIGHTS

The term "net position" refers to the difference between assets and liabilities. The Housing Authority's total net position as of March 31, 2024 was $534,423. The net position increased by $85,108, an increase of 18.9% the over prior fiscal year.

Revenues and contributions for the Housing Authority were $409,852 for the fiscal year ended March 31, 2024. This was an increase of $125,976 or 44.4% over the prior fiscal year.

Expenses for the Housing Authority were $324,744 for the fiscal year ended March 31, 2024. This was an increase of $12,836 or 4.1% over the prior fiscal year.

HUD grants were $197,379 for the fiscal year ended March 31, 2024. This was an increase of $113,527 or 235.4% over the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains this *Management & Discussion 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 Housing Authority's financial statements are presented as fund financial statements because the Housing Authority only has proprietary funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Required Financial Statements

The *Statement of Net Position* includes the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Housing Authority creditors (liabilities). It also provides the basis for evaluating the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing 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 Authorities to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) and is required to be included in the audit reporting package.

FUND STATEMENTS

The Financial Data Schedule reports the Housing Authority's operations in more detail. The Housing Authority reports all its activities using Enterprise fund types. These funds are used to show activities that operate more like commercial enterprises. The Financial Data Schedule is organized by the government Catalogue of Financial Domestic Assistance (CFDA) numbers.

FUND STATEMENTS (Continued)

Low Rent Public Housing Program: Under this program, the Housing Authority rents units that it owns to low-income elderly and family households. This program is operated under an Annual Contributions Contract with HUD. HUD provides Operating Subsidies to enable the Housing Authority to lease these units at a rate that is based on 30% of the household income or a flat rent.

Capital Fund Program: Under this program, the Housing Authority is awarded funds each year to use for Capital needs. The Housing Authority is awarded funds each year to use for Capital needs. The Housing Authority also has the ability to use up to 100% of these funds, if need be, to supplement Operating Subsidies, since the Housing Authority is considered a "small" PHA. This program is the primary funding source for physical improvements to its properties.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the following table, assets exceeded liabilities by $534,423 at the close of the fiscal year ended March 31, 2024 an increase from $477,347 in 2023.

The unrestricted net position was $217,872 as of March 31, 2024. It can be used to meet the Housing Authority's ongoing obligations. At the end of the current fiscal year, the Housing Authority is able to report positive balances in all categories of net position.

CONDENSED STATEMENTS OF NET POSITION

	03/31/24	03/31/23	Dollar Change
Current and other assets	$ 249,693	$ 203,536	$ 46,157
Capital assets, net	316,552	277,432	39,120
Total Assets	566,245	480,968	85,277
Current liabilities	31,822	31,653	169
Total Liabilities	31,822	31,653	169
Net Position:			
Net in capital assets	316,551	277,432	39,119
Unrestricted net position	217,872	171,883	45,989
Total Net Position	$ 534,423	$ 449,315	$ 85,108

Total current assets increase of $46,157 was due, in large part, to an increase in cash flows of $49,346.

The current liabilities increase of $169 was due, in large part, to an increase in accounts payable-PILOT and unearned revenue of $1,555.

FINANCIAL ANALYSIS (Continued)

The largest portion of the Housing Authority's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Housing 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 Position shows the change in financial position of net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	03/31/24	03/31/23	Dollar Change
Revenues and contributions			
Operating, non operating, capital contributions:			
Net tenant revenue	$ 206,949	$ 184,721	$ 22,228
HUD operating grants	148,643	66,008	82,635
Capital grants	48,736	17,844	30,892
Investment income	247	111	136
Other revenue	5,277	15,192	(9,915)
Total Revenues and Contributions	409,852	283,876	125,976
Expenses			
Management fees	123,203	117,837	5,366
Tenant services	1,408	1,248	160
Utilities	32,308	30,904	1,404
Maintenance	70,866	72,669	(1,803)
Protective services	11,668	6,687	4,981
Insurance	19,389	15,399	3,990
Payments in lieu of taxes	17,722	16,641	1,081
Other supplies and expenses	8,812	8,628	184
Depreciation	39,368	41,895	(2,527)
Total Expenses	324,744	311,908	12,836
Change in net position	85,108	(28,032)	113,140
Beginning net position	449,315	477,347	(28,032)
Ending net position	$ 534,423	$ 449,315	$ 85,108

Revenues:

As can be seen in the above table total revenues and contributions increased by $125,976 in large part, due to HUD grants increasing by $113,527.

Greendale Housing Authority
Management's Discussion and Analysis (MD&A)
March 31, 2024
(Continued)

FINANCIAL ANALYSIS (Continued)

Revenues: (Continued)

Greendale Housing Authority's primary revenue sources are subsidies and grants received by HUD, as well as tenant revenue. Please note that Capital Fund Program grants are classified as either soft cost revenue or hard cost revenue. The Housing Authority received $77,537 in capital grants during the current fiscal year. The capital fund grants were classified as soft costs in the amount of $48,736. For the fiscal year ending March 31, 2024, revenue generated by the Housing Authority accounted for $206,949 (or 50.5% of total revenue), while HUD contributions accounted for $197,379 (or 48.2% of total revenue).

Expenses:

Total expenses for the fiscal year ending March 31, 2024 were $324,744 while for the fiscal year ending March, 31, 2023 they were $311,908. This represents a 4.1% increase in our operating costs. The expenses increased, in part, because of an increase in management fees of $5,366.

The following represents changes in Federal Assistance received:

	03/31/24	03/31/23	Dollar Change
Public Housing Operating Subsidy	$ 119,842	$ 38,904	$ 80,938
Capital Fund Program	77,537	44,948	32,589
Total	$ 197,379	$ 83,852	$ 113,527

The above chart is segregated as to the Program source of funds, not the use of funds. The subsidy for Public Housing decreased mainly due to HUD increasing its funding formula amount for the Housing Authority. The Capital Fund Program used almost one year's capital fund grants in the current fiscal year versus less in the prior fiscal year.

Budget Analysis:

A Low Rent Public Housing Operating Budget for the fiscal year ending March 31, 2024 was presented to and approved by the Board of Commissioners. Actual results were in line with the budgeted amounts.

OPERATIONAL HIGHLIGHTS

The Greendale Housing Authority provided the following housing for low-income individuals and families:

	03/31/24	03/31/23
Low Rent Public Housing Program	50	50

The Housing Authority had a lease up rate of 98.3% in the Low Rent program for the current fiscal year.

Greendale Housing Authority
Management's Discussion and Analysis (MD&A)
March 31, 2024
(Continued)

CAPITAL ASSETS

The Greendale Housing Authority's investment in capital assets, as of March 31, 2024 amounts to $316,552 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and equipment. For further detail of capital assets see Note C.

CAPITAL ASSETS
NET OF ACCUMULATED DEPRECIATION
March 31,

	2024	2023	Dollar Change
Land	$ 104,520	$ 104,520	$ 0
Buildings	633,042	590,028	43,014
Furniture, equipment and machinery - Dwellings	244,939	224,066	20,873
Furniture, equipment and machinery - Administration	96,508	81,907	14,601
	1,079,009	1,000,521	78,488
Accumulated depreciation	(762,457)	(723,089)	(39,368)
Total	$ 316,552	$ 277,432	$ 39,120

Capital assets increased by $39,120 due to capital outlays of $($78,488) and depreciation of $39,120.

During the fiscal year ending March 31, 2024, our Capital Fund Program was used for flooring, dumpster enclosures, replace several furnaces and a/c units, remodel all exterior and common room interiors window cleaning, carpet the second floor hallway, repair and replace a section of the parking lot, remodel vacant apartments and upgrade units as needed, gutter replacements

Capital projects planned for the next year include the following:

> The planned capital expenditures for the next fiscal year will be used for AC/furnace replacements as needed; water heater replacements, Apartment remodeling and elevator module/controller replacement.

Greendale Housing Authority
Management's Discussion and Analysis (MD&A)
March 31, 2024
(Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations as well as capital needs. Therefore, the Housing Authority is affected more by the Federal Budget than by local economic conditions.

Although the Housing Authority remains concerned about the future levels of HUD funding due to the state of the federal budget, we feel that we are both financially and operationally in a strong position to continue to provide safe, sanitary, and decent housing to our residents.

We know of no other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net position) or results of operations (revenues, expenses, and other changes).

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in its finances. Questions or comments concerning any of the information contained in this report or request for additional information should be directed to:

Krissy Redwine, Executive Director
Greendale Housing Authority
489 Ludlow
Greendale, Indiana 47025

FINANCIAL STATEMENTS

Greendale Housing Authority
Statement of Net Position
March 31, 2024

ASSETS		
Current Assets:		
Cash and cash equivalents	$	245,238
Accounts receivable- net		0
Prepaid expenses		1,982
Inventories		2,473
Total Current Assets		249,693
Capital Assets:		
Land		104,520
Buildings		633,042
Equipment		341,447
		1,079,009
Less: accumulated depreciation		(762,457)
Net Capital Assets		316,552
Total Assets	$	566,245
LIABILITIES and NET POSITION		
Current Liabilities:		
Accounts payable	$	21,648
Tenant security deposit liability		9,700
Unearned revenue		474
Total Current Liabilities		31,822
Net Position:		
Net investment in capital assets		316,551
Unrestricted net position		217,872
Total Net Position		534,423
Total Liabilities and Net Position	$	566,245

See notes to financial statements

Greendale Housing Authority
Statement of Revenues, Expenses, And
Changes in Net Position
Year Ended March 31, 2024

OPERATING REVENUES:		
Net tenant rental revenue	$	206,949
Operating grants		148,643
Total operating revenues		355,592
OPERATING EXPENSES:		
Administrative		132,015
Tenant services		1,408
Utilities		32,308
Maintenance		70,866
Protective services		11,668
Insurance		19,389
General expenses		17,722
Depreciation		39,368
Total operating expenses		324,744
Operating income (loss)		30,848
NONOPERATING REVENUES:		
Investment interest income		247
Other revenue		5,277
Total non operating revenues		5,524
Income (loss) before contributions		36,372
CAPITAL CONTRIBUTIONS		48,736
Change in net position		85,108
Net Position, beginning		449,315
Net Position, ending	$	534,423

See notes to financial statements

Greendale Housing Authority
Statement of Cash Flows
Year Ended March 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from dwelling and non dwelling rents	$	208,664
Cash received from operating grants		148,643
Cash payments to other suppliers of goods and services		(143,715)
Cash payments for management fees for services		(123,202)
Cash payments for payments in lieu of taxes		(16,641)
Net cash provided by operating activities		73,749
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Tenant security deposits		(175)
Other revenue		5,277
Net cash provided by noncapital financing activities		5,102
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments for capital acquisitions		(78,488)
Capital contributions		48,736
Net cash (used) by capital and related financing activities		(29,752)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipt of interest income		247
Net cash provided by investing activities		247
Net increase (decrease) in cash		49,346
Cash and cash equivalents, beginning		195,892
Cash and cash equivalents, ending	$	245,238

See notes to financial statements

Greendale Housing Authority
Statement of Cash Flows (Continued)
Year Ended March 31, 2024

RECONCILATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED) OPERATING ACTIVITIES:

Operating income (loss)	$	30,848
Adjustments to reconcile operating (loss) to net cash provided (used)		
By operating activities:		
Depreciation		39,368
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable-tenants		1,241
Prepaid expenses		2,035
Inventory		(87)
Increase (decrease) in liabilities:		
Accounts payable-trade		(1,211)
Accounts payable-PILOT		1,081
Unearned revenue		474
Net cash provided by operating activities	$	73,749

Greendale Housing Authority
Notes to Financial Statements
March 31, 2024

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Greendale Housing Authority ("Housing Authority") is an independent municipal entity created by the City of Greendale pursuant to Indiana state law and the National Housing Act of 1937. Although the Housing Authority maintains close ties with the City of Greendale in several respects, the Housing Authority is not a component unit of the City, as defined by the Governmental Accounting Standards Board, since the City is not financially accountable for the operations of the Housing Authority, and has no responsibility to fund its deficits or receive its surpluses. The Housing Authority operates under a Board of Commissioners form of government to provide safe and decent housing for eligible low and moderate income families and elderly and disabled individuals. The Board is comprised of seven members, all City of Greendale residents, appointed by the City Board.

1. Reporting Entity

The Housing Authority's financial statements include the accounts of all of the Housing Authority's operations. The Housing Authority maintains its accounting records by program and operates the following programs:

Low Income Public Housing

This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Housing Authority. These units are rented to low income families and low income elderly, disabled, and special needs individuals. The properties were constructed with grants and/or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Housing Authority receives grants from HUD to subsidize operating costs. Tenants are charged rents based on a percentage of their incomes. HUD subsidizes 50 federal public housing units through this program.

Public Housing Capital Fund

HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Housing Authority under the Low Income Public Housing Program. A designated portion of these funds may also be used to support operations and to make improvements in the management and operation of the Housing Authority's Low Income Public Housing Program.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government. Interfund activity has been eliminated in the preparation of these statements.

The Housing Authority is a special-purpose government entity engaged only in business-type activities and, as such, the financial statements are presented as a single enterprise fund.

3. Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Housing Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the nonoperating revenue and expense.

If/when, both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgets and Budgetary Accounting

The Housing 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 U.S. Department of Housing and Urban Development for their approval, if required.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts, savings accounts, and certificates of deposit. The cash equivalents are recorded at cost, which approximates market.

7. Tenant Accounts Receivable and Allowance for Bad Debts

Tenant accounts receivable are stated at net rent amounts. Tenant accounts generally are collectible as long as the tenant is occupying the unit; thus, no allowance for bad debts has been established by management. When the tenant vacates the unit, any unpaid balance remaining after application of the security deposit and after procedures have been followed to recover outstanding amounts, is charged as a reduction of rental revenue.

8. Prepaid Expenses

Prepaid expenditures, such as insurance premiums and deferred costs, which are expected to be written off within the next fiscal year, are included in net current assets.

9. Compensated Absences

Housing Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days according to contract or personnel policies. In the event of termination by retirement or death, an employee is paid for accumulated sick days according to contract or personnel policies. Since the Housing Authority uses a management company vacation and sick leave is not needed.

10. Inter-Program Activity

During the course of operations, transactions occur within individual programs that may result in amounts owed or transfers between programs. Offsetting inter-program receivables and payables as well as offsetting inter-program transfers are eliminated for financial statement presentation. For the fiscal year ended March 31, 2024, there were no inter-program receivables and payables or operating transfers.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Buildings and Equipment

Buildings and equipment are recorded at historical cost. Costs in excess of $500 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	15	-	40 years
Equipment and furnishings	5	-	7 years

Land and land improvements include approximately $104,520 of capitalized land that is not subject to depreciation.

12. Income Taxes

The Housing Authority is a quasi-governmental entity. The Housing Authority is not subject to Federal or State income taxes.

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

14. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position will, when applicable, report separate sections for deferred outflows or resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources* a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Housing Authority does not have any items that qualifies for reporting in these categories.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Unearned Revenue

The Housing Authority reports unearned revenue in connection with resources that have been received, but not yet earned.

16. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

17. Net Position

Net positions are comprised of three categories (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The Housing Authority's positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Housing Authority's policy is to first apply restricted resources. Each component of net position is reported separately on the statement of net position.

i. Net Investment in capital assets – This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

ii. Restricted – This category equals the restricted cash of the Housing Authority and consists of net position restricted for use by (1) external groups such as grantors, creditors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.

iii. Unrestricted – This category includes all of the remaining net position that do not meet the definition of the other two categories.

18. Subsequent Events

The financial statements and related disclosures include evaluation of events through and including September 14, 2024, which is the date the financial statements were available to be issued.

NOTE B: CASH AND CASH EQUIVALENTS

Indiana Code authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Indiana. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Indiana or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Indiana.

NOTE B: CASH AND CASH EQUIVALENTS (CONTINUED)

The Housing Authority has designated three banks for the deposit of its funds. The Housing Authority's deposits are included on the balance sheet under the classification cash and cash equivalents and consist of the following:

Cash – operations (checking accounts)	$ 245,238

The above deposits are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of March 31, 2024:

Bank deposits (checking accounts)	$ 245,238

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it. At year end, The Housing Authority had no bank deposits (checking accounts) that were uninsured and uncollateralized.

NOTE C: CAPITAL ASSETS

Capital asset activity for the fiscal ended March 31, 2024, was as follows:

	Balance 03/31/23	Additions/ Transfers	Retirements/ Transfers	Balance 03/31/24
Low Rent Program				
Land	$ 104,520	$ 0	$ 0	$ 104,520
Buildings	590,028	43,014	0	633,042
Furniture, equipment & machinery - dwellings	224,066	20,873	0	244,939
Furniture, equipment & machinery - administration	81,907	14,601	0	96,508
	1,000,521	$ 78,488	$ 0	1,079,009
Less accumulated depreciation	(723,089)	$ (39,368)	$ 0	(762,457)
Total	$ 277,432			$ 316,552

Depreciation expense was charged to functions/programs of the government as follows:

Business-type activities:	
Low Rent Program	$ 39,368

NOTE D: RETIREMENT PLAN

The Housing Authority does not provide pension benefits.

NOTE E: COMMITMENTS AND CONTINGENCIES

Commitments – Construction

At March 31, 2024, the Housing Authority had the following capital fund grants:

	IN36P090501-24	IN36P090501-19
Funds Approved	$ 102,115	$ 71,557
Funds Expended	0	(68,148)
Excess of Funds Approved	$ 102,115	$ 3,409
Funds Advanced (HUD Grants)	$ 0	$ 68,148
Funds Expended	(0)	(68,148)
Excess of Funds Advanced	$ 0	$ 0

	IN36P090501-23	IN36P090501-21	IN36P090501-22
Funds Approved	$ 100,034	$ 80,638	$ 98,334
Funds Expended	(0)	(45,700)	(27,188)
Excess of Funds Approved	$ 100,034	$ 34,938	$ 71,146
Funds Advanced (HUD Grants)	$ 0	$ 45,700	$ 27,188
Funds Expended	(0)	(45,700)	(27,188)
Excess of Funds Advanced	$ 0	$ 0	$ 0

Contingencies

The Housing 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 Housing Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

NOTE F: RISK MANAGEMENT

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

SUPPLEMENTAL INFORMATION

Barry E. Gaudette, CPA, PC
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Traverse City, Michigan 49685

Independent Accountant's Report on Applying Agreed-Upon Procedure

To the Board of Commissioners
Greendale Housing Authority

We have performed the procedure described in the second paragraph of this report, which was agreed to by the Greendale Housing Authority (the "Authority") and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of the Authority and the U.S. Department of Housing and Urban Development, PIH-REAC. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the audit requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, for the Greendale Housing Authority as of and for the year ended March 31, 2024, and have issued our reports thereon dated September 14, 2024. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated September 14, 2024, was expressed in relation to the basic financial statements of the Authority taken as a whole.

Independent Accountant's Report on Applying Agreed-Upon Procedure
Page Two

A copy of the reporting package required by OMB Uniform Administrative Requirements, which includes the auditor's reports, is available in its entirety from the Greendale Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

The purpose of this report on applying the agreed-upon procedure is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Barry E. Gaudette, CPA, PC

September 14, 2024

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURE

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Business Sheet, Revenue and Expense and Cash Flow Data	Financial Data Templates (i.e. the Financial Data Schedule)	X	
2	Footnotes	Footnotes to Audited Basic Financial Statements	X	
3	Type of Opinion on the Financial Statements and Compliance	Auditor's Reports on the Financial Statements and Compliance	X	
4	Type of Opinion on Financial Data Templates	Auditor's Supplemental Report on Financial Data Templates	X	

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

Barry E. Gaudette, CPA, PC
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Traverse City, Michigan 49685

Independent Auditor's 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 Housing Commissioners
Greendale Housing Authority
Dearborn County, Indiana

We have audited, in accordance with the 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, the financial statements of the business-type activities of the Greendale Housing Authority, Indiana, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Greendale Housing Authority, Indiana's basic financial statements, and have issued our report thereon dated September 14, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greendale Housing Authority, Indiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greendale Housing Authority, Indiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greendale Housing Authority, Indiana's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greendale Housing Authority, Indiana's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barry E. Gaudette, CPA

September 14, 2024