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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

July 30, 2024

Board of Commissioners
Housing Authority of the City of Charlestown
Clark County, Indiana

We have reviewed the audit report of the Housing Authority of the City of Charlestown, which was opined upon by Cherry Bekaert LLP, Independent Public Accountants, for the period October 1, 2022 to September 30, 2023. Per the *Report of Independent Auditor*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Charlestown as of September 30, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on page 26. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 43.

In our opinion, Cherry Bekaert LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

Tammy R. White

Tammy R. White, CPA
Deputy State Examiner

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and For the Year Ended September 30, 2023

And Report of Independent Auditor

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
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Report of Independent Auditor

To the Board of Commissioners
Jeffersonville, Indiana

Report on the Financial Statements

Opinion

We have audited the financial statements referred to above of the business-type activities of the Housing Authority of the City of Charlestown (the "Authority") as of and for the year ended September 30, 2023, 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, the accompanying financial statements, referred to above, present fairly, in all material respects, the financial position of the business-type activities of the Authority as of September 30, 2023, and its changes in financial position and 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 and the standards applicable to financial audits contained in the *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 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 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 the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know 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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards and *Governmental 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 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 the Authority's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 supplementary information referred to above 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 June 14, 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 solely 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.

Cherry Bekaert LLP

Jeffersonville, Indiana
June 14, 2024

As management of the Housing Authority of the City of Charlestown (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2023.

The management's discussion and analysis ("MD&A") is specifically designed to: 1) assist the reader in focusing on significant financial issues: 2) provide a broad scope overview of the Authority's financial activities; 3) identify and explain changes in the Authority's financial position; and 4) highlight any individual funding source issues or concerns.

Since the MD&A is designed to present basic financial statements in a narrative, executive summary format, the reader is encouraged to consider the information presented here in conjunction with the Authority's audited financial statements.

Overview of the Authority

The Authority is organized under the laws of the state of Indiana for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owns and operates 250 public housing units and administers 73 Section 8 Housing Choice Vouchers under Annual Contributions Contract 2050-V with the Department of Housing and Urban Development ("HUD"). The Authority is located in Charlestown, Indiana.

The Authority is governed by a seven-member Board of Commissioners who are appointed by the mayor of the city of Charlestown. Under the oversight of that Board, the Authority functions independently from the city of Charlestown government. All revenues, expenses, assets, and obligations of the Authority belong solely to the Authority, not the city of Charlestown or any other entity.

Reporting on the Authority as a Whole

The statements of revenues, expenses, and changes in net position report information about the Authority as a whole and about its activities in a format that helps the reader assess the results of operations for the fiscal year ended September 30, 2023. Each statement is a condensed presentation of sources of funding and major activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

Financial Highlights

- Net position of the Authority decreased $12,424 as of September 30, 2023 from the prior year. That decrease was a direct result of expenses exceeding revenues by $12,424 during the fiscal year ended September 30, 2023.

- Operating revenue of the Authority increased by $399,957 compared to the prior fiscal year.

- Operating expenses increased by $284,679 compared to the prior fiscal year.

- The Authority had unrestricted net position (unrestricted reserves) of $2,674,469 at September 30, 2023, which is an increase of $16,243 as compared to $2,658,226 from September 30, 2022.

Fund Financial Statements

All of the programs of the Authority are reported as a proprietary fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Enterprises operated by state and local governments, such as the Authority, use fund accounting to ensure compliance with finance-related legal requirements.

The Authority's financial statements report its net position and changes in net position. One can think of the Authority's net position – the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other factors, however, such as the amount of net position (amount of operating reserves), changes in the Authority's occupancy levels, and/or its legal obligations to HUD, to assess the overall health of the Authority. Management of the Authority makes a concerted effort to be fiscally responsible and maintain an operating reserve balance (net position) that is equal to or greater than HUD-recommended operating reserve levels at all times.

Using This Annual Report

The Authority's annual report consists of financial statements that show combined information about the Authority's most significant programs, the Public and Indian Housing Program, the Section 8 Housing Choice Vouchers Program, and the Public Housing Capital Fund Program.

The Authority's auditors provided reasonable assurance in their report of independent auditor, located immediately preceding the MD&A, that the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the report of independent auditor carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Authority's Most Significant Programs

The Authority's financial statements provide detailed information about the most significant programs. Some funds are required to be established by HUD. However, the Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other funds.

The Authority uses the following accounting approach for proprietary funds. The focus of proprietary funds is on income measurement, which together with the maintenance of net position, is an important financial indicator.

The statements evaluated include:

- *Statement of Net Position* – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations, if any.

- *Statement of Revenues, Expenses and Changes in Net Position* – reports the Authority's operating and nonoperating revenues, by major source along with operating and nonoperating expenses.

The Authority maintains its books and records utilizing the accrual basis of accounting. Accrual accounting recognizes revenues and expenses when earned and incurred regardless of when cash is received or paid.

Reporting the Authority's Most Significant Programs (continued)

The following is a description of the programs and services that the Authority provides for its program participants:

Public and Indian Housing Program

The Authority owns 250 units in developments within the city of Charlestown, Indiana. The 250 units owned by the Authority consist of elderly/disabled and family units. The Authority rents those units to individuals and families who meet HUD eligibility guidelines in order to provide them with decent, safe, and sanitary rental housing. The Authority is responsible for the management and maintenance of all units, sites, and certain utilities. On an annual basis, the Authority submits a request for funding to HUD, known as the Calculation of Operating Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has an Allowable Operating Expense Level, Allowable Utilities Expenses Level, Allowable Add-ons and Audit Cost that becomes the Authority's Total Allowable Expenses. HUD will fund the difference between the Total Allowable Expenses and the amount of rents that the Authority can charge their tenants based upon HUD eligibility calculations. However, funding is subject to proration due to congressional appropriation and may not be sufficient to fund 100% of the requested amount. Operating subsidy was prorated to approximately 93% of the requested amount for calendar year 2023 and approximately 105% of the requested amount for calendar year 2022.

Section 8 Housing Choice Vouchers Program

This grant program provides rental assistance to help extremely low and low-income families afford decent, safe, and sanitary rental housing. Qualifying participants have their income analyzed utilizing HUD's guidelines and their rental assistance is calculated accordingly. The Authority is awarded a fixed amount of Budget Authority from HUD on an annual basis to assist participants. The Authority had approval for 73 vouchers during the year ended September 30, 2023. Similar to Public Housing operating funding, Section 8 Housing Choice Vouchers administrative funding from HUD is subject to proration due to Congressional appropriation. Section 8 Housing Choice Vouchers administrative funding was prorated to approximately 97% of the full eligibility amount for calendar year 2023 and approximately 89% of the full eligibility amount for calendar year 2022.

Capital Fund Program

HUD awards this grant program on an annual basis. The purposes of these grants are to maintain the physical structures within the Authority's sites and the administrative management to ensure completion of site improvements in the most effective and efficient manner. The Authority requisitions funds from HUD as the Authority expends funds. At September 30, 2023, the Authority had approximately $2,300,000 of capital fund grants that had been awarded by HUD but had not been expended. That grant revenue has not been recognized within the audited financial statements, but those grant funds have been allocated by HUD and will be recognized and expended for capital projects within the next four years.

Central Office Cost Center

In addition to the programs noted above, the Authority maintains a Central Office Cost Center ("COCC") as mandated by HUD. All salaries and costs related to administrative functions of the Authority and other costs which do not directly support the specific programs noted above, are charged to the COCC. Funding flows into the COCC from fees which are allowed to be charged to the Public and Indian Housing program and the Section 8 Housing Choice Voucher program, as well as administrative funding provided through the Capital Fund program. Once funds flow through to the COCC they are deemed to be "defederalized" and can then be used by the Authority in any way needed in order to support the Authority's mission.

Authority-Wide Condensed Financial Statements

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

The Housing Authority of the City of Charlestown
Statement of Net Position

			Increase/Decrease	
	2023	**2022**	**Amount**	**Percentage**
Current assets	$ 2,893,425	$ 2,831,937	$ 61,488	2.2%
Capital assets, net	4,981,668	5,016,073	(34,405)	-0.7%
Total Assets	$ 7,875,093	$ 7,848,010	$ 27,083	0.3%
Current Liabilities	$ 212,650	$ 173,143	$ 39,507	22.8%
Total Liabilities	$ 212,650	$ 173,143	$ 39,507	22.8%
Net investment in capital assets	$ 4,981,668	$ 5,016,073	$ (34,405)	-0.7%
Restricted net position	6,306	568	5,738	1010.2%
Unrestricted net position	2,674,469	2,658,226	16,243	0.6%
Total Net Position	$ 7,662,443	$ 7,674,867	$ (12,424)	-0.2%

Total Assets

The Authority's total assets at September 30, 2023 were $7,875,093, an increase of $27,083, or 0.3%, from September 30, 2022. The change in total assets was primarily due to an increase in cash resulting from the increase in current liabilities at September 30, 2023 as compared to September 30, 2022.

Capital Assets

Overall, net capital assets decreased by $34,405, or 0.7%, from September 30, 2022. That was primarily due to the depreciation expense recognized during the fiscal year ended September 30, 2023, totaling $290,186, exceeding capital asset purchases of $255,781 during the fiscal year ended September 30, 2023. The fixed asset purchases consisted primarily of stone fronts added to units and bathroom renovations at AMP 1 (Project IN025000001).

Total Liabilities

The Authority's total liabilities at September 30, 2023 were $212,650 an increase of $39,507 or 22.8%, from September 30, 2023. The change in total liabilities was primarily due to an increase in accrued compensated absences at September 30, 2023 as compared to September 30, 2022. During fiscal year 2023 the Authority's Board of Commissioners voted to change the company's policy on accrued compensated absences from a use it or lose it model to a model whereby unused PTO time would be paid out to employees at the end of each calendar year. Because of that, the Authority went from $0 of accrued compensated absences at September 30, 2022 to $28,922 of accrued compensated absences at September 30, 2023.

Net Position

The Authority's total net position at September 30, 2023 was $7,662,443, a decrease of $12,424, or 0.2%, from September 30, 2022. The decrease in net position was due to a net loss generated by the Authority's operations in fiscal year 2023.

The results of operations for the Authority are presented below:

Housing Authority of the City of Charlestown
Statement of Revenues, Expenses and Changes in Net Position

			Increase/Decrease	
	2023	**2022**	**Amount**	**Percentage**
Current assets	$ 2,893,425	$ 2,831,937	$ 61,488	2.2%
Capital assets, net	4,981,668	5,016,073	(34,405)	-0.7%
Total Assets	$ 7,875,093	$ 7,848,010	$ 27,083	0.3%
Current Liabilities	$ 212,650	$ 173,143	$ 39,507	22.8%
Total Liabilities	$ 212,650	$ 173,143	$ 39,507	22.8%
Net investment in capital assets	$ 4,981,668	$ 5,016,073	$ (34,405)	-0.7%
Restricted net position	6,306	568	5,738	1010.2%
Unrestricted net position	2,674,469	2,658,226	16,243	0.6%
Total Net Position	$ 7,662,443	$ 7,674,867	$ (12,424)	-0.2%

Results of Operations

The change in net position for the year ended September 30, 2023 was ($12,424) compared to ($150,484) for the year ended September 30, 2022. Revenues of the Authority's activities are generated principally from HUD operating subsidies and tenant rental receipts. Operating expense of the Authority's activities consist primarily of maintenance, depreciation, administration, utilities, and housing assistance payments.

Tenant revenue increased by approximately $84,700 from the fiscal year ended September 30, 2022, due primarily to increases in tenant incomes which resulted in rent increases due to HUD's income-based rent calculation formula. HUD Public Housing Agency (PHA) operating grant revenue increased by approximately $313,300 from the fiscal year ended September 30, 2022. That increase was primarily due to an increase in the amount of public housing operating subsidy received and the amount of Section 8 housing assistance payment ("HAP") grant revenue received. Increased operating subsidy revenue was received in fiscal year 2023 due primarily to the fact that calendar year 2023 operating subsidy eligibility was much higher than prior years. That increase was due to inflation factors applied to the calculation by HUD to account for significant inflation over the past few years. Also, HUD increased the subsidy to account for significant increases in utility costs which the Authority has experienced in recent years due to rate increases applied by the various utility companies. Significantly more HAP revenue was received in fiscal year 2023 due to significantly increased voucher utilization, and HAP expense, as a result of the increased voucher utilization.

Maintenance expense increased by approximately $90,300 due primarily to increased maintenance wage expenses and contract costs experienced in fiscal year 2023. Those increased expenses were primarily related to the repair of numerous burst pipes in December 2022 due to unusually cold weather, significant one-time contractor repairs, and general inflation experienced in the economy during that time period. Section 8 housing assistance payment expense increased by approximately $131,400 due to a much higher voucher utilization percentage for fiscal year 2023 as compared to fiscal year 2022. That increased voucher utilization percentage was due to a concentrated effort by management to increase the voucher utilization.

Capital fund grant revenue increased by approximately $16,500. That increase did not represent an increase in capital grant funding, but rather just a difference in the timing and significance of capital improvement projects performed in fiscal year 2023 as compared to fiscal year 2022.

Capital Assets

At September 30, 2023, the Authority has approximately $4,982,000 invested in net capital assets. That is reflected in the following schedule, and represents a decrease of approximately $34,400 (net of depreciation) from the preceding year.

The Housing Authority of the City of Charlestown
Capital Assets

	2023	2022
Land	$ 1,296,639	$ 1,296,639
Buildings	13,185,644	12,929,900
Furniture, equipment, and machinery - dwellings	297,801	297,801
Furniture, equipment, and machinery - administration	213,860	209,823
Construction in process	24,000	28,000
Total Capital Assets	15,017,944	14,762,163
Less: accumulated depreciation	(10,036,276)	(9,746,090)
Capital Assets, Net	$ 4,981,668	$ 5,016,073

For additional information, see Note 4 within the notes to the financial statements.

Currently Known Facts, Decisions, or Conditions Expected to Affect Future Financial Position or Results of Operations

The Authority is dependent upon HUD for funding (approximately 59% of fiscal year 2023 revenue came from HUD grants); therefore, the Authority is generally affected more by the federal budget than by local economic conditions.

The amount that the Authority is eligible to receive to cover the gap between public housing rent revenues and operating costs is set by a federal formula. If Congress has failed to provide sufficient funding to cover the full subsidies that the Authority is eligible to receive under the formula, the Authority must find a way to raise revenue, cut costs, or tap other resources to make up for the shortfall. Congress funded the operating subsidy revenue at approximately 93% of the full eligibility amount for calendar year 2023.

Similar to Public Housing operating subsidy funding, HUD also utilizes a formula to determine the amount of Section 8 Administrative funding they provide to the Authority. In recent years cuts to that funding has been far more extreme than the prorations applied to Public Housing operating subsidy. However, congress funded Section 8 administrative awards at approximately 97% of full eligibility for calendar year 2023.

As shown in these financials, Authority management will maintain a fiscally responsible approach regardless of the federal funding situation. This will be done to ensure the Authority is able to continue to serve low-income families and individuals to the greatest extent possible for both the near-term and long-term future.

Request for Information

The financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report should be addressed to the following address:

Leigh Bowyer or Laura Dabney
Co-Executive Directors
The Housing Authority of the City of Charlestown
200 Jennings Street
Charlestown, IN 47111

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

ASSETS		
Current Assets:		
Cash and cash equivalents	$	1,506,247
Cash - restricted		6,306
Cash - security deposits		38,430
Certificates of deposit		1,118,896
Accounts receivable - HUD		51,339
Accounts receivable - tenants, net		14,764
Accounts receivable - fraud recovery, net		425
Inventory - materials and supplies, net		52,053
Prepaid expenses		104,965
Total Current Assets		2,893,425
Capital Assets:		
Land		1,296,639
Buildings		13,185,644
Furniture, equipment, and machinery - dwellings		297,801
Furniture, equipment, and machinery - administration		213,860
Construction in process		24,000
Total Capital Assets		15,017,944
Less: accumulated depreciation		(10,036,276)
Capital Assets, Net		4,981,668
Total Assets		7,875,093
DEFERRED OUTFLOWS OF RESOURCES		-
Total Assets and Deferred Outflows of Resources	$	7,875,093
LIABILITIES		
Current Liabilities:		
Accounts payable	$	56,150
Accounts payable - HUD		152
Accounts payable - other government		68,226
Accrued compensated absences - current portion		28,922
Accrued payroll		2,408
Security deposits		38,430
Unearned revenue		18,362
Total Current Liabilities		212,650
Total Liabilities		212,650
DEFERRED INFLOWS OF RESOURCES		-
Total Liabilities and Deferred Inflows of Resources	$	212,650
NET POSITION		
Net investment in capital assets	$	4,981,668
Restricted net position		6,306
Unrestricted net position		2,674,469
Total Net Position	$	7,662,443

The accompanying notes to the financial statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED SEPTEMBER 30, 2023

Operating Revenues:		
Tenant revenue	$	1,032,853
HUD PHA operating grants		1,272,549
Other revenue		2,124
Total Operating Revenues		2,307,526
Operating Expenses:		
Administration		461,117
Tenant services		4,013
Utilities		350,555
Ordinary maintenance		757,631
Protective services		29,120
Insurance expense		120,506
Other general expenses		178,813
Housing assistance payments		382,810
Depreciation expense		290,186
Total Operating Expenses		2,574,751
Net Operating Loss		(267,225)
Nonoperating Revenues:		
Interest and investment revenue		13,300
Net Loss Before Capital Fund Grant		(253,925)
Capital Fund Grant		241,501
Change in Net Position		(12,424)
Net Position, Beginning of Year		7,674,867
Net Position, End of Year	$	7,662,443

The accompanying notes to the financial statements are an integral part of these statements.

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2023

Cash Flows from Operating Activities:		
Cash received from tenants	$	1,029,336
Cash received from HUD PHA operating grants		1,294,324
Other cash received		2,124
Cash payments for operating expenses		(2,241,728)
Net cash flows from operating activities		84,056
Cash Flows from Investing Activities:		
Interest earned		13,300
Reinvestment of interest earned		(5,122)
Net cash flows from investing activities		8,178
Cash Flows from Financing Activities:		
Capital grant receipts		241,501
Purchase of capital assets		(255,781)
Net cash flows from financing activities		(14,280)
Net change in cash and cash equivalents		77,954
Cash and cash equivalents beginning of year		1,473,029
Cash and cash equivalents end of year	$	1,550,983
Cash Reconciliation as Reported on the Statement of Net Position:		
Cash and cash equivalents	$	1,506,247
Cash - restricted		6,306
Cash - security deposits		38,430
	$	1,550,983
Cash Flows from Operating Activities:		
Net operating loss	$	(267,225)
Adjustments to reconcile net operating loss to net cash flows from operating activities:		
Depreciation expense		290,186
Bad debt expense		53,877
Changes in:		
Accounts receivable - HUD		21,775
Accounts receivable - tenants		(51,149)
Accounts receivable - fraud recovery		(215)
Inventory - materials and supplies		1,749
Prepaid expenses		(4,449)
Accounts payable		8,320
Accounts payable - other government		5,887
Accrued compensated absences		28,922
Accrued payroll		2,408
Security deposits		(1,750)
Unearned revenue		(4,280)
Net cash flows from operating activities	$	84,056

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Nature of organization

The Housing Authority of the City of Charlestown (the "Authority"), a governmental organization, is organized under the laws of the state of Indiana for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owns and operates 250 public housing units and administers 73 Section 8 Housing Choice Vouchers under Annual Contributions Contract 2050-V in Charlestown, Indiana.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City of Charlestown (the "City") and concluded that the City does not bear responsibility for the Authority's operations. The Mayor of the City appoints an independent Board of Commissioners to oversee the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the City government. Debt incurred by the Authority is not an obligation of the City; the City does not review or approve the Authority's budget; is not entitled to any surplus funds generated by the Authority's operations; and is not responsible for any deficits incurred by the Authority. Consequently, in accordance with the Governmental Accounting Standards Board, management has concluded that the Authority is a separate reporting entity.

Funding for the Authority is primarily from HUD and from payments received from tenants of the Authority-owned housing. Under the Public and Indian Housing Program, tenants pay a portion of the rental cost of public housing, based upon their household income. Through operating subsidies, HUD funds the difference between the actual costs to operate an efficiently operated Public and Indian Housing Program and the amounts paid by tenants. These subsidy payments are made to, or on behalf of, the Authority under the terms and conditions of the annual contributions contract with HUD.

The Section 8 Housing Choice Vouchers Program provides rental supplements to the owners of existing private housing who rent to qualifying individuals. The Authority processes all applicants for the Section 8 Housing Choice Vouchers Program, places approved applicants in housing and pays the owner of the private housing a monthly rental supplement. Under the conditions of an annual contributions contract, HUD provides Housing Assistance Payment revenue and Administrative revenue to the Authority for the rental supplements and the administrative cost of managing the program.

Note 2—Summary of significant accounting policies

The accounting policies of the Authority conform to U.S. generally accepted accounting principles ("U.S. GAAP") as applicable to proprietary funds of governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Authority's accounting policies are described below:

Basis of Accounting – The financial statements of the Authority have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation – All of the Authority's programs are accounted for as one business-type activity (enterprise) for financial reporting purposes. This financial statement presentation provides an indication of the financial performance of the Authority as a whole. Enterprise designations are used to account for activities (a) which are financed with debt that is solely secured by pledge of the net revenues from fees and charges of the activity; (b) which are governed by laws or regulations that require that the activity's costs of providing services be recovered with fees and charges, rather than taxes or similar revenues; or (c) that the pricing policies of the activity establish fees and charges designated to recover its costs.

In accordance with GASB requirements, the Authority's proprietary funds follow all GASB pronouncements.

Note 2—Summary of significant accounting policies (continued)

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, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents – The Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts – The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable, which is based on historical experience, coupled with a review of the current status of existing receivables. Management has determined the allowance for doubtful accounts to be $34,446 for accounts receivable – tenants at September 30, 2023. Additionally, management has determined the allowance related to accounts receivable – fraud recovery to be $425 at September 30, 2023.

Inventories – Inventories, consisting of materials and supplies, are stated at the lower of cost or market, reported on a first-in, first-out basis.

Capital Assets – Capital Assets are recorded at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

The capitalization policy for the Authority is that items purchased or betterments, not repairs, in excess of $3,000 which have a useful life of more than one (1) year will be capitalized.

Depreciation is provided on the basis of the estimated useful lives of the assets using the straight-line method. The estimated useful lives are 10 to 39 years for building and improvements and 5 to 7 years for building equipment, furniture, maintenance equipment, and miscellaneous assets.

Revenues and Expenses – Revenue from rentals is recorded as earned over the life of the lease, and expenses are charged against such revenue as incurred without regard to the date of receipt or payment of cash. Rental agreements generally do not exceed one year but are renewable.

The Authority has entered into annual contribution contracts with HUD to develop, manage and own public housing projects and to administer the federal Section 8 programs whereby the Authority pays the owner a portion of the rent, a housing assistance payment (“HAP”), on behalf of the family. Such contributions are reflected as HUD grants in the accompanying financial statements.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority’s principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, tenant services, utilities, maintenance, protective services, insurance, depreciation, housing assistance payments, and other general expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. This includes capital grants through the Public Housing Capital Fund Program.

Use of Restricted and Unrestricted Resources – When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Note 2—Summary of significant accounting policies (continued)

Recent Accounting Pronouncements – As of July 1, 2022, the Authority adopted the provisions of GASB 96, *Subscription-Based Information Technology Arrangements*, which amended the existing accounting standards for lease reporting. The new guidance requires government entities in a subscription-based information technology arrangement ("SBITA") to recognize a right-of-use asset, an intangible asset, and a corresponding subscription liability for agreements that meet the definition of SBITA at commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability will be equal to the present value of subscription payments expected to be made during the subscription term. Following the adoption of the standard, the Authority determined there were no material subscription-based information technology agreements that would be considered subject to the standard and, therefore, no SBITAs have been recorded.

Note 3—Cash deposits

In accordance with Section 401-(E) of the HUD/PHA Annual Contributions Contract, it is the policy of the Authority to invest its funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow needs of the Authority, and comply with all federal, state, and local statutes or ordinances governing the investment of public funds.

Custodial Credit Risk – Custodial credit risk for deposits and investments is the risk that, in the event of failure by a financial institution, the Authority may not be able to recover the value of its deposits and investments or collateral securities that are in the possession of the financial institution. Statutes authorize the Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities. All cash and investments are insured up to $250,000 by the Federal Deposit Insurance Corporation or other equivalent insurance company of depository financial institutions. The deposits exceeding the insured or registered limits are public funds covered in full by the State of Indiana Public Deposit Insurance Fund.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

Investments are made based upon prevailing market conditions at the time of the transaction. The Authority reviews its cash and investment needs in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Authority.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely, and (c) reasonable action is taken to control any adverse developments. The Authority's investment policy requires investment in instruments authorized by HUD Notice PIH 95-27. All investments at September 30, 2023 were held in certificates of deposit which carry no credit risk.

Concentration of Credit Risk – The Authority's investment policy requires diversification of the overall portfolio to eliminate the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer and/or a specific class of securities.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or a deposit. All of the Authority's deposits and investments are denominated in United States currency.

Note 3—Cash deposits (continued)

At September 30, 2023, the carrying value of cash and certificates of deposit was $1,550,983 and $1,118,896, respectively. The bank balance of cash and certificates of deposit owned at September 30, 2023 was $1,573,850 and $1,118,896, respectively.

Note 4—Capital assets

The following is the detailed transactions of capital assets during the year ended September 30, 2023:

	Balance at September 30, 2022	Additions	Disposals	Transfers	Balance at September 30, 2023
Land	$ 1,296,639	$ -	$ -	$ -	$ 1,296,639
Buildings	12,929,900	227,744	-	28,000	13,185,644
Furniture, equipment and machinery - dwellings	297,801	-	-	-	297,801
Furniture, equipment and machinery - administration	209,823	4,037	-	-	213,860
Construction in process	28,000	24,000	-	(28,000)	24,000
	14,762,163	255,781	-	-	15,017,944
Less: accumulated depreciation	(9,746,090)	(290,186)	-	-	(10,036,276)
Total	$ 5,016,073	$ (34,405)	$ -	$ -	$ 4,981,668

Total depreciation expense for the year ended September 30, 2023 was $290,186.

Note 5—Restricted net position

In accordance with guidelines established by HUD, any housing assistance payment ("HAP") budget authority disbursed to a housing authority in excess of actual program expenses for the same period must be maintained as restricted net position to be used only for future HAP payments incurred in the running of the Section 8 Housing Choice Vouchers program. For the year ended September 30, 2023, the Authority's restricted net position was $6,306.

Note 6—Income taxes

The Authority is exempt from income taxes as it is a governmental entity and, therefore, is not subject to taxation.

Note 7—Major funding source

The Authority is substantially funded by Federal awards. The funding is subject to Federal government appropriations and potential funding reductions. Management does not anticipate any material change in funding.

Note 8—Risk management and contingencies

The Authority is exposed to various risks of loss from torts, theft of, damages to, or destruction of assets, business interruption, errors or omissions, job related illnesses or injuries to employees, and natural disasters. The Authority has purchased commercial insurance to mitigate its exposure to such losses. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductible and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of such uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. Settled claims have not exceeded coverage levels for the past three years, and insurance coverage levels and insurance coverage, by major categories of risk, is consistent with coverage in the prior year.

Note 8—Risk management and contingencies (continued)

The Authority has received several federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon experience, management believes such disallowances, if any, will be immaterial.

Note 9—Subsequent events

In connection with the preparation of the financial statements and in accordance with U.S. GAAP, the Authority considered for disclosure subsequent events that occurred after the statement of net position date of September 30, 2023 through June 14, 2024, which was the date the financial statements were available to be issued. No subsequent events were noted that required disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor	Federal Assistance Listing Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development		
Direct Awards:		
Public and Indian Housing Program	14.850	$ 701,537
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	428,512
Public Housing Capital Fund	14.872	384,001
Total Expenditures of Federal Awards		$ 1,514,050

Note 1—Basis of accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations ("CFR")* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2—Indirect cost rate

The Authority has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3—Reconciliation of federal expenditures to statement of revenues, expenses, and changes in net position

HUD PHA Operating Grants	$ 1,272,549
Capital Fund Grant	241,501
	$ 1,514,050

OTHER REPORTS

Report of Independent Auditor 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*

To the Board of Commissioners
Housing Authority of the City of Charlestown
Jeffersonville, 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 basic financial statements of the business-type activities of the Housing Authority of the City of Charlestown (the "Authority"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 14, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 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. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Jeffersonville, Indiana
June 14, 2024

Report of Independent Auditor on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Commissioners
Housing Authority of the City of Charlestown
Jeffersonville, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Charlestown's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2023. The Authority's major federal program is identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United State; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform the audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed above, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Jeffersonville, Indiana
June 14, 2024

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2023

Section I—Summary of Independent Auditor's Results

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal Control over Financial Reporting:
Material Weakness(es) Identified? _____ Yes __x__ no
Significant Deficiency(ies) identified not Considered to be Material Weaknesses? _____ Yes __x__ none reported

Noncompliance Material to Financial Statements Noted? _____ Yes __x__ no

Federal Awards

Internal Control over Major Programs:
Material Weakness(es) Identified? _____ Yes __x__ no
Significant Deficiency(ies) Identified that are not Considered to be Material Weakness(es)? __x__ Yes _____ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) __x__ Yes _____ no

Identification of Major Programs:

Assistance Listing Number	Name of Federal Program or Cluster	
14.872	Public Housing Capital Fund Program	$ 384,001

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? __x__ Yes _____ no

A. Findings – Financial Statements Audit

None.

B. Findings – Major Federal Award Programs Audit

U.S. Department of Housing and Urban Development
Program Name: Public Housing Capital Fund
Federal Assistance Listing Number: 14.872
Significant Deficiency, Nonmaterial Noncompliance – Special Test – Obligation and Expenditure Verification
Finding 2023-001

Criteria or Specific Requirement: Per 24 CFR 905.306(a) a Public Housing Agency (PHA) shall obligate capital fund grants no later than 24 months after the funds become available to the PHA.

Per 24 CFR 905.306(f) a PHA shall expend capital fund grants no later than 48 months after the funds become available to the PHA.

Condition: Only $70,000 of the $596,704 for the 2021 public housing capital fund grant obligations reported in LOCCS were obligated by the February 22, 2023 deadline.

Additionally, the 2017 public housing capital fund grant has approximately $14,516 that was not expended within the 48-month requirement.

Questioned Costs: None.

Effect: By not having the funds fully obligated or expended by the required deadline, the Federal government could suspend or stop future payments until the noncompliance is remediated.

Cause: Management did not ensure obligations were fully met prior to the 24-month deadline. Additionally, management did not ensure amounts were expended within the 48-month deadline.

Recommendation: We recommend management implement controls to ensure capital grants are fully obligated by contractual agreements and expended within the required deadlines.

Views of Responsible Officials: Management agrees with the finding and is implementing procedures to correct this which is further discussed in the Corrective Action Plan.

Corrective Action Plan: See Corrective Action Plan prepared by the Authority.

Section IV—Schedule of Prior Year Audit Findings

None reported.

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE BALANCE SHEET SUMMARY

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111	Cash - Unrestricted	$ 726,426	$ 64,671	$ 715,150	$ 1,506,247	$ -	$ 1,506,247
112	Cash - Restricted - Modernization and Development	-	-	-		-	
113	Cash - Other Restricted	-	6,306	-	6,306	-	6,306
114	Cash - Tenant Security Deposits	38,430	-	-	38,430	-	38,430
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-
100	Total Cash	764,856	70,977	715,150	1,550,983	-	1,550,983
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	51,339	-	-	51,339	-	51,339
124	Accounts Receivable - Other Government	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-
126	Accounts Receivable - Tenants	49,210	-	-	49,210	-	49,210
126.1	Allowance for Doubtful Accounts -Tenants	(34,446)	-	-	(34,446)	-	(34,446)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-
128	Fraud Recovery	850	-	-	850	-	850
128.1	Allowance for Doubtful Accounts - Fraud	(425)	-	-	(425)	-	(425)
129	Accrued Interest Receivable	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	66,528	-	-	66,528	-	66,528
131	Investments - Unrestricted	1,118,896	-	-	1,118,896	-	1,118,896
132	Investments - Restricted	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	93,688	140	11,137	104,965	-	104,965
143	Inventories	57,837	-	-	57,837	-	57,837
143.1	Allowance for Obsolete Inventories	(5,784)	-	-	(5,784)	-	(5,784)
144	Inter Program Due From	-	-	55,382	55,382	(55,382)	-
145	Assets Held for Sale	-	-	-	-	-	-
150	Total Current Assets	2,096,021	71,117	781,669	2,948,807	(55,382)	2,893,425

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE BALANCE SHEET SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
161	Land	$ 1,296,639	$ -	$ -	$ 1,296,639	$ -	$ 1,296,639
162	Buildings	13,185,644	-	-	13,185,644	-	13,185,644
163	Furniture, Equipment & Machinery - Dwellings	297,801	-	-	297,801	-	297,801
164	Furniture, Equipment & Machinery - Administration	129,306	-	84,554	213,860	-	213,860
165	Leasehold Improvements		-	-	-	-	-
166	Accumulated Depreciation	(9,971,136)	-	(65,140)	(10,036,276)	-	(10,036,276)
167	Construction in Progress	24,000	-	-	24,000		24,000
168	Infrastructure		-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	4,962,254	-	19,414	4,981,668	-	4,981,668
						-	
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	4,962,254	-	19,414	4,981,668	-	4,981,668
200	Deferred Outflow of Resources	-			-		-
290	Total Assets and Deferred Outflow of Resources	7,058,275	71,117	801,083	7,930,475	(55,382)	7,875,093
311	Bank Overdraft	-			-		-
312	Accounts Payable <= 90 Days	55,403		747	56,150		56,150
313	Accounts Payable >90 Days Past Due				-		-
321	Accrued Wage/Payroll Taxes Payable	1,909		499	2,408		2,408
322	Accrued Compensated Absences - Current Portion	18,581		10,341	28,922		28,922
324	Accrued Contingency Liability	-			-		-
325	Accrued Interest Payable	-			-		-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE BALANCE SHEET SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
331	Accounts Payable - HUD PHA Programs	$ -	$ 152	$ -	$ 152	$ -	$ 152
332	Account Payable - PHA Projects				-		-
333	Accounts Payable - Other Government	68,226			68,226		68,226
341	Tenant Security Deposits	38,430			38,430		38,430
342	Unearned Revenue	18,362			18,362		18,362
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-			-		-
344	Current Portion of Long-term Debt - Operating Borrowings	-			-		-
345	Other Current Liabilities	-			-		-
346	Accrued Liabilities - Other	-			-		-
347	Inter Program - Due To	-	55,382		55,382	(55,382)	-
348	Loan Liability - Current	-			-		-
310	Total Current Liabilities	200,911	55,534	11,587	268,032	(55,382)	212,650
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-			-		-
352	Long-term Debt, Net of Current - Operating Borrowings	-			-		-
353	Non-current Liabilities - Other	-			-		-
354	Accrued Compensated Absences - Non Current	-			-		-
355	Loan Liability - Non Current	-			-		-
356	FASB 5 Liabilities	-			-		-
357	Accrued Pension and OPEB Liabilities	-			-		-
350	Total Non-Current Liabilities	-	-	-	-	-	-
300	Total Liabilities	200,911	55,534	11,587	268,032	(55,382)	212,650
400	Deferred Inflow of Resources	-			-		-
508.4	Net Investment in Capital Assets	4,962,254	-	19,414	4,981,668	-	4,981,668
511.4	Restricted Net Position	-	6,306	-	6,306	-	6,306
512.4	Unrestricted Net Position	1,895,110	9,277	770,082	2,674,469	-	2,674,469
513	Total Equity - Net Assets / Position	6,857,364	15,583	789,496	7,662,443	-	7,662,443
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	$ 7,058,275	$ 71,117	$ 801,083	$ 7,930,475	$ (55,382)	$ 7,875,093

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE REVENUE AND EXPENSE SUMMARY

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300	Net Tenant Rental Revenue	$ 932,299	$ -	$ -	$ 932,299	$ -	$ 932,299
70400	Tenant Revenue - Other	100,554			100,554		100,554
70500	Total Tenant Revenue	1,032,853	-	-	1,032,853	-	1,032,853
70600	HUD PHA Operating Grants	844,037	428,512		1,272,549		1,272,549
70610	Capital Grants	241,501			241,501		241,501
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				-		-
71100	Investment Income - Unrestricted	13,229	34		13,263		13,263
71200	Mortgage Interest Income				-		-
71300	Proceeds from Disposition of Assets Held for Sale				-		-
71310	Cost of Sale of Assets				-		-
71400	Fraud Recovery				-		-
71500	Other Revenue		2,124		2,124		2,124
71600	Gain or Loss on Sale of Capital Assets				-		-
72000	Investment Income - Restricted				-		-
70000	Total Revenue	2,131,620	430,670	-	2,562,290	-	2,562,290
91100	Administrative Salaries	118,984	19,052		138,036		138,036
91200	Auditing Fees	13,381	2,920		16,301		16,301
91300	Management Fee	240,082	7,332		247,414		247,414
91310	Book-keeping Fee	22,118	4,582		26,700		26,700

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
91400	Advertising and Marketing	$ -	$ -	$ -	$ -	$ -	$ -
91500	Employee Benefit contributions - Administrative	27,638	5,687		33,325		33,325
91600	Office Expenses	25,692	1,117		26,809		26,809
91700	Legal Expense	4,645	-		4,645		4,645
91800	Travel	2,165	105		2,270		2,270
91810	Allocated Overhead	-	-		-		-
91900	Other	571	-		571		571
91000	Total Operating - Administrative	455,276	40,795	-	496,071	-	496,071
92000	Asset Management Fee	30,000			30,000		30,000
92100	Tenant Services - Salaries	517			517		517
92200	Relocation Costs				-		-
92300	Employee Benefit Contributions - Tenant Services				-		-
92400	Tenant Services - Other	3,496			3,496		3,496
92500	Total Tenant Services	34,013	-	-	34,013	-	34,013
93100	Water	249,253			249,253		249,253
93200	Electricity	58,438			58,438		58,438
93300	Gas	29,439			29,439		29,439
93400	Fuel	-			-		-
93500	Labor	-			-		-
93600	Sewer	-			-		-
93700	Employee Benefit Contributions - Utilities	-			-		-
93800	Other Utilities Expense	-			-		-
93000	Total Utilities	337,130	-	-	337,130	-	337,130
94100	Ordinary Maintenance and Operations - Labor	348,025			348,025		348,025
91310	Ordinary Maintenance and Operations - Materials and Other	111,349			111,349		111,349

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
94300	Ordinary Maintenance and Operations Contracts	$ 212,330	$ -	$ -	$ 212,330	$ -	$ 212,330
94500	Employee Benefit Contributions - Ordinary Maintenance	78,438			78,438		78,438
94000	Total Maintenance	750,142	-	-	750,142	-	750,142
95100	Protective Services - Labor				-		-
95200	Protective Services - Other Contract Costs	29,120			29,120		29,120
95300	Protective Services - Other				-		-
95500	Employee Benefit Contributions - Protective Services				-	-	-
95000	Total Protective Services	29,120	-	-	29,120	-	29,120
96110	Property Insurance	79,972			79,972		79,972
96120	Liability Insurance	11,696			11,696		11,696
96130	Workmen's Compensation	8,011	429		8,440		8,440
96140	All Other Insurance	6,635			6,635		6,635
96100	Total insurance Premiums	106,314	429	-	106,743	-	106,743
96200	Other General Expenses		552		552		552
96210	Compensated Absences	36,800	3,182		39,982		39,982
96300	Payments in Lieu of Taxes	68,227			68,227		68,227
96400	Bad debt - Tenant Rents	53,877			53,877		53,877
96500	Bad debt - Mortgages				-		-
96600	Bad debt - Other				-		-
96800	Severance Expense				-		-
96000	Total Other General Expenses	158,904	3,734	-	162,638	-	162,638
96710	Interest of Mortgage (or Bonds) Payable						
96720	Interest on Notes Payable (Short and Long Term)				-		-
96730	Amortization of Bond Issue Costs				-		-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
96700	Total Interest Expense and Amortization Cost	$ -	$ -	$ -	$ -	$ -	$ -
96900	Total Operating Expenses	1,900,899	44,958	-	1,945,857	-	1,945,857
97000	Excess of Operating Revenue over Operating Expenses	260,721	385,712		646,433		646,433
97100	Extraordinary Maintenance				-		-
97200	Casualty Losses - Non-capitalized				-		-
97300	Housing Assistance Payments		380,839		380,839		380,839
97350	HAP Portability-In		1,971		1,971		1,971
97400	Depreciation Expense	282,187			282,187		282,187
97500	Fraud Losses				-		-
97600	Capital Outlays - Governmental Funds				-		-
97700	Debt Principal Payment - Governmental Funds				-		-
97800	Dwelling Units Rent Expense				-		-
90000	Total Expenses	2,183,086	427,768	-	2,610,854	-	2,610,854
10010	Operating Transfer In	95,000			95,000		95,000
10020	Operating transfer Out	(95,000)			(95,000)		(95,000)
10030	Operating Transfers from/to Primary Government				-		-
10040	Operating Transfers from/to Component Unit				-		-
10050	Proceeds from Notes, Loans and Bonds				-		-
10060	Proceeds from Property Sales				-		-
10070	Extraordinary Items, Net Gain/Loss				-		-
10080	Special Items (Net Gain/Loss)				-		-
10091	Inter Project Excess Cash Transfer In				-		-
10092	Inter Project Excess Cash Transfer Out				-		-
10093	Transfers between Program and Project - In				-		-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
10094	Transfers between Project and Program - Out	$ -	$ -	$ -	$ -	$ -	$ -
10100	Total Other financing Sources (Uses)	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(21,466)	2,902		(18,564)		(18,564)
11020	Required Annual Debt Principal Payments		-		-		-
11030	Beginning Equity	6,878,830	12,681		6,891,511		6,891,511
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors				-		-
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	-	9,277	-	9,277	-	9,277
11180	Housing Assistance Payments Equity		6,306		6,306		6,306
11190	Unit Months Available	3,000	876		3,876		3,876
11210	Number of Unit Months Leased	2,959	611		3,570		3,570
11270	Excess Cash	1,597,420			1,597,420		1,597,420
11610	Land Purchases	-			-		-
11620	Building Purchases	251,744			251,744		251,744
11630	Furniture & Equipment - Dwelling Purchases				-		-
11640	Furniture & Equipment - Administrative Purchases				-		-
11650	Leasehold Improvements Purchases				-		-
13901	Replacement Housing Factor Funds				-		-
11660	Infrastructure Purchases				-		-
13510	CFFP Debt Service Payments				-		-
13901	Replacement Housing Factor Funds				-		-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT BALANCE SHEET SUMMARY

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
111	Cash - Unrestricted	$ -	$ -	$ -	$ -
112	Cash - Restricted - Modernization and Development				-
113	Cash - Other Restricted				-
114	Cash - Tenant Security Deposits				-
115	Cash - Restricted for Payment of Current Liabilities				-
100	Total Cash	$ -	$ -	$ -	$ -
121	Accounts Receivable - PHA Projects				-
122	Accounts Receivable - HUD Other Projects				-
124	Accounts Receivable - Other Government				-
125	Accounts Receivable - Miscellaneous				-
126	Accounts Receivable - Tenants				-
126.1	Allowance for Doubtful Accounts -Tenants				-
126.2	Allowance for Doubtful Accounts - Other				-
127	Notes, Loans, & Mortgages Receivable - Current				-
128	Fraud Recovery				-
128.1	Allowance for Doubtful Accounts - Fraud				-
129	Accrued Interest Receivable				-
120	Total Receivables, Net of Allowances for Doubtful Accounts	$ -	$ -	$ -	$ -
131	Investments - Unrestricted				-
132	Investments - Restricted				-
135	Investments - Restricted for Payment of Current Liability				-
142	Prepaid Expenses and Other Assets				-
143	Inventories	$ -	$ -	$ -	$ -
143.1	Allowance for Obsolete Inventories				-
144	Inter Program Due From				-
145	Assets Held for Sale				-
150	Total Current Assets	$ -	$ -	$ -	$ -
161	Land				

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT BALANCE SHEET SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
162	Buildings				-
163	Furniture, Equipment & Machinery - Dwellings				-
164	Furniture, Equipment & Machinery - Administration				-
165	Leasehold Improvements				-
166	Accumulated Depreciation				-
167	Construction in Progress				
168	Infrastructure				-
160	Total Capital Assets, Net of Accumulated Depreciation	$ -	$ -	$ -	$ -
					-
171	Notes, Loans and Mortgages Receivable - Non-Current				
172	Notes, Loans, & Mortgages Receivable - Non Current - Past				-
173	Grants Receivable - Non Current				-
174	Other Assets				
176	Investments in Joint Ventures				-
180	Total Non-Current Assets	$ -	$ -	$ -	$ -
					-
200	Deferred Outflow of Resources				
290	Total Assets and Deferred Outflow of Resources	$ -	$ -	$ -	$ -
311	Bank Overdraft				-
312	Accounts Payable <= 90 Days				-
313	Accounts Payable >90 Days Past Due				-
321	Accrued Wage/Payroll Taxes Payable				-
322	Accrued Compensated Absences - Current Portion				-
324	Accrued Contingency Liability				-
325	Accrued Interest Payable				-
331	Accounts Payable - HUD PHA Programs				-
332	Account Payable - PHA Projects				-
333	Accounts Payable - Other Government				-
341	Tenant Security Deposits				-
342	Unearned Revenue				-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT BALANCE SHEET SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
343	Current Portion of Long-term Debt - Capital				-
344	Current Portion of Long-term Debt - Operating Borrowings				-
345	Other Current Liabilities				-
346	Accrued Liabilities - Other				-
347	Inter Program - Due To				-
348	Loan Liability - Current				-
310	Total Current Liabilities	$ -	$ -	$ -	$ -
351	Long-term Debt, Net of Current - Capital Projects/Mortgage				-
352	Long-term Debt, Net of Current - Operating Borrowings	$ -	$ -	$ -	$ -
353	Non-current Liabilities - Other				-
354	Accrued Compensated Absences - Non Current				-
355	Loan Liability - Non Current				-
356	FASB 5 Liabilities				-
357	Accrued Pension and OPEB Liabilities				-
350	Total Non-Current Liabilities	$ -	$ -	$ -	$ -
300	Total Liabilities	$ -	$ -	$ -	$ -
400	Deferred Inflow of Resources				-
508.4	Net Investment in Capital Assets				-
511.4	Restricted Net Position				-
512.4	Unrestricted Net Position				-
513	Total Equity - Net Assets / Position	$ -	$ -	$ -	$ -
600	Total Liabilities, Deferred Inflows of Resources, and Equity	$ -	$ -	$ -	$ -

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT REVENUE AND EXPENSE SUMMARY

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
70300	Net Tenant Rental Revenue	$ -	$ -	$ -	$ -
70400	Tenant Revenue - Other				-
70500	Total Tenant Revenue	$ -	$ -	$ -	-
70600	HUD PHA Operating Grants				$ -
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				$ -
71100	Investment Income - Unrestricted				-
71200	Mortgage Interest Income				-
71300	Proceeds from Disposition of Assets Held for Sale				
71310	Cost of Sale of Assets				-
71400	Fraud Recovery				-
71500	Other Revenue				
71600	Gain or Loss on Sale of Capital Assets				-
72000	Investment Income - Restricted				-
70000	Total Revenue	$ -	$ -	$ -	$ -
91100	Administrative Salaries				-
91200	Auditing Fees				-
91300	Management Fee	$ -	$ -	$ -	$ -
91310	Book-keeping Fee				-
91400	Advertising and Marketing				-
91500	Employee Benefit contributions - Administrative				-
91600	Office Expenses				-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
91700	Legal Expense				-
91800	Travel				-
91810	Allocated Overhead				-
91900	Other				-
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				-
92500	Total Tenant Services	$ -	$ -	$ -	$ -
93100	Water				-
93200	Electricity				-
93300	Gas				-
93400	Fuel				-
93500	Labor				-
93600	Sewer				-
93700	Employee Benefit Contributions - Utilities				-
93800	Other Utilities Expense				$ -
93000	Total Utilities	$ -	$ -	$ -	$ -
94100	Ordinary Maintenance and Operations - Labor	$ -	$ -	$ -	-
94200	Ordinary Maintenance and Operations - Materials and				-
94300	Ordinary Maintenance and Operations Contracts				-
94500	Employee Benefit Contributions - Ordinary Maintenance				-
94000	Total Maintenance	$ -	$ -	$ -	$ -
95100	Protective Services - Labor				-
95200	Protective Services - Other Contract Costs				-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
95300	Protective Services - Other				-
95500	Employee Benefit Contributions - Protective Services				-
95000	Total Protective Services	$ -	$ -	$ -	$ -
96110	Property Insurance				-
96120	Liability Insurance				-
96130	Workmen's Compensation				-
96140	All Other Insurance				-
96100	Total insurance Premiums	$ -	$ -	$ -	$ -
96200	Other General Expenses				-
96210	Compensated Absences				-
96300	Payments in Lieu of Taxes				-
96400	Bad debt - Tenant Rents				-
96500	Bad debt - Mortgages				-
96600	Bad debt - Other				-

96800	Severance Expense				$ -
96000	Total Other General Expenses	$ -	$ -	$ -	$ -
96710	Interest of Mortgage (or Bonds) Payable				
96720	Interest on Notes Payable (Short and Long Term)				-
96730	Amortization of Bond Issue Costs				-
96700	Total Interest Expense and Amortization Cost	$ -	$ -	$ -	$ -
96900	Total Operating Expenses	$ -	$ -	$ -	$ -
97000	Excess of Operating Revenue over Operating Expenses	$ -	$ -	$ -	$ -
97100	Extraordinary Maintenance				-
97200	Casualty Losses - Non-capitalized				-
97300	Housing Assistance Payments				-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
97350	HAP Portability-In				-
97400	Depreciation Expense				-
97500	Fraud Losses				-
97600	Capital Outlays - Governmental Funds				-
97700	Debt Principal Payment - Governmental Funds				-
97800	Dwelling Units Rent Expense				-
90000	Total Expenses	$ -	$ -	$ -	$ -
10010	Operating Transfer In				-
10020	Operating transfer Out				-
10030	Operating Transfers from/to Primary Government				-
10040	Operating Transfers from/to Component Unit	$ -	$ -	$ -	$ -
10050	Proceeds from Notes, Loans and Bonds				-
10060	Proceeds from Property Sales				-
10070	Extraordinary Items, Net Gain/Loss				-
10080	Special Items (Net Gain/Loss)				-
10091	Inter Project Excess Cash Transfer In				-
10092	Inter Project Excess Cash Transfer Out				-
10093	Transfers between Program and Project - In				-
10094	Transfers between Project and Program - Out				-
10100	Total Other financing Sources (Uses)	$ -	$ -	$ -	$ -
10000	Excess (Deficiency) of Total Revenue Over (Under) Total	$ -	$ -	$ -	$ -
11020	Required Annual Debt Principal Payments				-
11030	Beginning Equity				-
11040	Prior Period Adjustments, Equity Transfers and				-
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				-

HOUSING AUTHORITY OF THE CITY OF CHARLESTOWN (IN025)
CHARLESTOWN, IN
PROJECT REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

		IN025000001	IN025000002	OTHER PROJ	Subtotal
11090	Changes in Allowance for Doubtful Accounts - Dwelling				-
11100	Changes in Allowance for Doubtful Accounts - Other				-
11170	Administrative Fee Equity				-
					-
11180	Housing Assistance Payments Equity				-
11190	Unit Months Available				-

11210	Number of Unit Months Leased	$ -	$ -	$ -	$ -
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				-

THE HOUSING AUTHORITY OF THE
CITY OF CHARLESTOWN
200 JENNINGS STREET
CHARLESTOWN, INDIANA 47111-0218

TELEPHONE (812) 256-6311 FAX (812) 256-3386

June 14th, 2024

Findings- Major Federal Award Programs Audit – Corrective Action Plan (CAP)

Public Housing Capital Fund

Finding 2023-001

For the year ended September 30th, 2023, the audit conducted by Cherry Bekaert LLP found Significant Deficiency, Nonmaterial Noncompliance – Obligation and Expenditure Verification for public housing capital fund grant. The recommendation to implement controls to ensure capital grants are fully obligated by contractual agreements and expended within the required deadlines will be put into procedure by management of the Housing Authority.

Management understands the importance of obligating and expending capital fund grants and to remedy the above deficiency, the Housing Authority will take an approach that will implement controls within regulations.

- The Charlestown Housing Authority will review 24 CFR 905.306 (a) and 24 CFR 905.306 (F), and all other regulations required for compliance with capital funds.
- The Charlestown Housing Authority will implement internal checks and balances when obligating and expending funds for grants to ensure timely contracts and expenditures.
- The Housing Authority will obligate capital funds prior to the 24-month deadline and expend the funds within the 48-month deadline.

Responsible Person: Leigh Bowyer

Completion Date of CAP: 6/13/24