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April 23, 2024

Board of Commissioners  
New Castle Housing Authority  
Henry County, Indiana

We have reviewed the audit report of the New Castle Housing Authority, which was opined on by Velma Butler & Company, Ltd., Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the New Castle Housing Authority as of June 30, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Velma Butler & Company, Ltd., prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

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NEW CASTLE HOUSING AUTHORITY  
INDEPENDENT AUDITORS' REPORT,  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION,  
INCLUDING SINGLE AUDIT REPORTS  
FOR THE YEAR ENDED  
JUNE 30, 2023

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NEW CASTLE HOUSING AUTHORITY

TABLE OF CONTENTS

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	<u>EXHIBIT</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT		1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS		5-10
BASIC FINANCIAL STATEMENTS:		
Statement of Net Position - Enterprise Funds	A	11
Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Funds	B	12
Statement of Cash Flows - Enterprise Funds	C	13
Notes to the Financial Statements		14-23
SUPPLEMENTAL INFORMATION:		
Statement of Net Position - Programs	D	24
Statement of Revenues, Expenses and Changes in Fund Net Position - Programs	E	25
Financial Data Schedules - REAC		26-30
Schedule of Expenditures of Federal Awards (SEFA) and Notes to the SEFA	F	31-32
Statement of Capital Fund Program Costs Uncompleted	G	33
Statement of Capital Fund Program Costs Completed	H	34
SINGLE AUDIT REPORTS:		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		35-36
Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		37-40
Independent Auditors' Report on Agreed-Upon Procedures		41-42
SUMMARY OF AUDITOR'S RESULTS:		
Summary of Auditor's Results		43
Schedule of Current Year Findings and Questioned Costs		44
Schedule of Prior Year Findings and Questioned Costs		45

**INDEPENDENT AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
New Castle Housing Authority  
New Castle, IN 47362

U.S. Department of Housing and Urban  
Development, Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

### **Opinion**

We have audited the accompanying financial statements of the primary government business type activities and the component unit of the New Castle Housing Authority (Authority), as of and for the year ended June 30, 2023, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, 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 and the audit report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary government and the discretely presented component unit of the Authority, as of June 30, 2023, 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 Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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.

## *Auditor's Responsibility 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 issues 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 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 *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 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

We are required to communicate 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 the management's discussion and analysis and budgetary comparison information 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 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 as a whole. The accompanying financial data schedule (FDS) and the schedule of expenditures of federal awards (SEFA), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 March 1, 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.

*Summarized Comparative Information*

We previously audited the Authority's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements based on our report dated March 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Velma Butler & Company, Ltd.".

Velma Butler & Company, Ltd.  
Chicago, Illinois

March 1, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**New Castle Housing Authority**  
**274 S. 14<sup>th</sup> Street**  
**New Castle, IN 47362**

To the Board of Commissioners  
New Castle Housing Authority  
New Castle, IN 47362

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the New Castle Housing Authority (Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2023. The management's discussion and analysis includes information on the past, present and future events that have been enacted, adopted, agreed upon, and/or contracted by the Authority. It focuses on analysis of the financial statements and the improvements in the Authority's management.

We are pleased to submit the financial statements of the Authority for the year ended June 30, 2023. The accuracy of the data presented in the financial statements, as well as its completeness and fairness of presentation, is the responsibility of management. All necessary disclosures to enable the reader to gain an understanding of the Authority's financial affairs have been included in the footnotes accompanying the general purpose financial statements. The purpose of the financial statements is to provide complete and accurate financial information that complies with reporting requirements of the U.S. Department of Housing and Urban Development ("HUD") and the Governmental Accounting Standards Board. The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units.

**FINANCIAL HIGHLIGHTS**

- Total assets were \$3.9 million at June 30, 2023, an increase of \$36 thousand from the \$3.9 million at June 30, 2022.
- Net capital assets were \$2.6 million at June 30, 2023, a decrease of \$41 thousand from \$2.7 million at June 30, 2022. This was primarily due to depreciation.
- Total liabilities increased by \$12 thousand to \$233 thousand at June 30, 2023 from \$221 thousand at June 30, 2022.
- Total net position was \$3.7 million at June 30, 2023, an increase of about \$106 thousand or 3.0 percent from prior year balance of \$3.6 million.
- Total revenue was \$2.5 million at June 30, 2022, a decrease of \$120 thousand from the June 30, 2021, balance of \$2.6 million. The decrease was primarily due to the decreased HUD funding.

- Total expenses increased by \$246 thousand to \$2.7 million at June 30, 2023 from \$2.5 million at June 30, 2022.

## USING THIS REPORT

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information detailing how the Authority's net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event given rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and related financing activities.

These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from the U.S. Department of Housing and Urban Development (HUD).

## OVERVIEW OF FINANCIAL STATEMENTS

The Authority's basic financial statements are presented as an enterprise fund whose operations include the low rent, housing choice voucher programs, and a blended component unit.

*Fund Financial Statements* are groupings of accounts used to maintain control over resources segregated for specific activities or objectives. The Authority, like other state, local, or quasi-governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority's funds only consisted of a *Proprietary Fund*.

The Authority's *Proprietary Fund* is comprised of enterprise funds with "business-type" activities intended to recover all or a portion of their costs through fees and charges for services. Since the Authority maintains its activities in enterprise funds, its Proprietary Fund financial statements provide information about the activities of the Authority as a whole.

*Low-Rent Public Housing* - Under the Low Rent Housing Program, the Authority rents units it owns to low-income families. The Low Rent Public Housing Program is operated under an annual contribution contract (ACC) with HUD, and HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of a family's adjusted gross household income.

*Capital Fund Program (CFP)* - The Low Rent Public Housing Program also includes the CFP, which is the primary funding source for physical management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the authorities housing stock.

*Section 8 Housing Choice Vouchers* - The Housing Choice Voucher is the federal government's programs for assisting low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The programs are administered locally by public housing authorities (PHAs). The PHAs receive funds from HUD to administer the programs. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

*Component Units* - If the Authority has oversight responsibility, including financial accountability, appointment of voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the Authority includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists.

*Blended Component Units* - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority's Board of Commissioners of the component unit provides services entirely to the Authority.

Additionally, the Authority is required to undergo an annual single audit as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs.

The financial section provides both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

## FINANCIAL ANALYSIS OF THE AUTHORITY

### Net Position

**Table 1**  
**New Castle Housing Authority's Net Position**

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percentage Change</u>
Current Assets	\$ 1,217,169	\$ 1,148,996	\$ 68,173	5.9%
Non-Current Assets	2,618,234	2,659,338	(41,104)	-1.5%
Deferred Outflows	66,525	56,933	9,592	16.8%
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 3,901,928</b>	<b>\$ 3,865,267</b>	<b>\$ 36,661</b>	<b>0.9%</b>
Current Liabilities	\$ 101,041	\$ 165,961	\$ (64,920)	-39.1%
Non-Current Liabilities	132,146	55,002	77,144	140.3%
<b>Total Liabilities</b>	<b>233,187</b>	<b>220,963</b>	<b>12,224</b>	<b>5.5%</b>
Deferred Inflows	9,886	91,797	(81,911)	-89.2%
Unrestricted	1,040,621	865,550	175,071	20.2%
Restricted Net Assets	-	27,619	(27,619)	0.0%
Net Investment in Capital Assets	2,618,234	2,659,338	(41,104)	-1.5%
<b>Total Net Position</b>	<b>3,658,855</b>	<b>3,552,507</b>	<b>106,348</b>	<b>3.0%</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 3,901,928</b>	<b>\$ 3,865,267</b>	<b>\$ 36,661</b>	<b>0.9%</b>

As shown in Table 1, the Authority's total net position at June 30, 2023, was approximately \$3.9 million, a 0.9 percent decrease from the June 30, 2022, balance of \$3.9 million.

### Capital Assets

**Table 2**  
**New Castle Housing Authority's Change in Capital Assets**

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percentage Change</u>
Land	\$ 917,432	\$ 917,432	\$ -	0.0 %
Building	8,305,554	8,305,554	-	0.0 %
Equipment	291,357	286,838	4,519	1.6 %
Accumulated Depreciaton	(7,104,009)	(6,850,486)	(253,523)	3.7 %
Construction In Progress	207,900	-	207,900	0.0 %
<b>Total Capital Assets</b>	<b>\$ 2,618,234</b>	<b>\$ 2,659,338</b>	<b>\$ (41,104)</b>	<b>-1.5 %</b>

Additional detail can be found in the notes to the financial statements.

**Revenues and Expenses**

As shown in Table 3, the Authority’s total revenues increased to \$2.8 million by \$357 thousand or 14.3 percent for the year ended June 30, 2022. Total expenses increased by 9.9 percent to 2.7 million in 2023, an increase of 246 thousand from the prior year balance, mainly in HAP payments.

**Table 3  
New Castle Housing Authority's Change in Net Position**

	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>Percentage Change</b>
Tenant Revenue	\$ 539,099	\$ 542,113	\$ (3,014)	-0.6 %
HUD Operating Grants	2,081,324	1,920,502	160,822	8.4 %
Capital Funds	207,900	-	207,900	0.0 %
Interest Income	2,269	572	1,697	296.7 %
Other Income	19,024	28,865	(9,841)	-34.1 %
<b>Total Revenue</b>	<b><u>2,849,616</u></b>	<b><u>2,492,052</u></b>	<b><u>357,564</u></b>	<b>14.3 %</b>
Admin Expenses	322,257	310,082	12,175	3.9 %
Tenant Expenses	1,708	1,200	508	0.0 %
Utilities	221,283	193,587	27,696	14.3 %
Ordinary Maintenance	296,634	294,932	1,702	0.6 %
Insurance	63,310	68,083	(4,773)	-7.0
General Expenses	42,476	59,433	(16,957)	-28.5 %
Housing Assist. Payments	1,540,279	1,316,657	223,622	17.0 %
Depreciation	255,321	252,655	2,666	1.1 %
<b>Total Expenses</b>	<b><u>2,743,268</u></b>	<b><u>2,496,629</u></b>	<b><u>246,639</u></b>	<b>9.9 %</b>
Change in Net Position	106,348	(4,577)	110,925	-2423.5 %
Beginning Net Position	3,552,507	3,557,084	(4,577)	-0.1 %
<b>Ending Net Position</b>	<b><u>\$ 3,658,855</u></b>	<b><u>\$ 3,552,507</u></b>	<b><u>\$ 106,348</u></b>	<b>3.0 %</b>

**BUDGETARY CONTROL**

Management submits a proposed operating budget for revenues and expenses for all programs, functions, activities, or objectives for the following fiscal year to the governing body (“Board”). The Board reviews, approves and adopts the budget. Operating monies are determined by rents and operating subsidies provided by HUD, as established by Congress. The operating subsidy is dependent on the availability of federal funds.

The Authority prepares annual five-year budgets for its capital grants and project budget for other grants. Capital project budgets are approved and are adopted for five years by the Board and HUD based on Federal funding. They are then annualized to strengthen monitoring and completion benchmarks. Budgeted and actual costs are compared to the five-year plan and are monitored by the Authority and HUD. Line-item variances are resolved and approved by HUD.

### **ECONOMIC FACTORS**

The Authority is primarily dependent upon HUD for its funding of operations; therefore, operating revenues are more affected by the Federal budget than by local economic conditions.

### **MAJOR INITIATIVES**

The Authority continues to provide comprehensive service in New Castle to assure the existence of affordable housing for low to moderate income individuals and families, senior citizens, ad handicapped and disable individuals. Under the leadership of a dedicated Board of Commissioners, and the hard work of true professionals in the field of affordable housing, the Authority continues to thrive, considering the various challenges for federally subsidized housing providers. Improvements have included working hard to enhance our operations internally and seeking external funds to support our residents whenever possible.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This Authority's financial report is designed to provide a general overview of the Authority's finances for all those with an interest and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jennie Harvey, Executive Director, 274 S 14<sup>th</sup> Street, New Castle, IN 47362.

## **BASIC FINANCIAL STATEMENTS**

NEW CASTLE HOUSING AUTHORITY  
STATEMENT OF NET POSITION - ENTERPRISE FUND  
JUNE 30, 2023 (WITH 2022 COMPARABLE TOTALS)

EXHIBIT A

	2023 TOTAL	2022 TOTAL
<b>ASSETS</b>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 1,064,270	\$ 913,688
Cash and Cash Equivalents - Restricted	63,724	92,130
Accounts Receivable, net	39,499	51,873
Prepaid Expenses	20,277	64,700
Material Inventories, net	29,399	26,605
Total Current Assets	<u>1,217,169</u>	<u>1,148,996</u>
<u>NON CURRENT ASSETS</u>		
Capital Assets, net	<u>2,618,234</u>	<u>2,659,338</u>
Total Non-Current Assets	2,618,234	2,659,338
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Pension Resources	<u>66,525</u>	<u>56,933</u>
Total Deferred Outflow of Resources	66,525	56,933
<b>TOTAL ASSETS AND DEFERRED OUTFLOW</b>	<b>\$ <u>3,901,928</u></b>	<b>\$ <u>3,865,267</u></b>
<b>LIABILITIES AND NET POSITION</b>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 84,287	\$ 79,681
Accrued Liabilities	9,867	75,874
Deferred Revenue	6,887	10,406
Total Current Liabilities	<u>101,041</u>	<u>165,961</u>
<u>NON CURRENT LIABILITIES</u>		
Accrued Pension Expenses	<u>132,146</u>	<u>55,002</u>
Total Non Current Liabilities	132,146	55,002
Total Liabilities	<u>233,187</u>	<u>220,963</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension Resources	<u>9,886</u>	<u>91,797</u>
Total Deferred Inflow of Resources	9,886	91,797
<u>NET POSITION</u>		
Unrestricted Net Position	1,040,621	865,550
Restricted Net Position	-	27,619
Net Investment in Capital Assets	<u>2,618,234</u>	<u>2,659,338</u>
Total Net Position	3,658,855	3,552,507
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$ <u>3,901,928</u></b>	<b>\$ <u>3,865,267</u></b>

See Accompanying Notes to Financial Statements

**NEW CASTLE HOUSING AUTHORITY  
STATEMENT OF REVENUES EXPENSES AND CHANGE IN NET POSITION -  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023 (WITH 2022 COMPARABLE TOTALS) EXHIBIT B**

	<b>2023</b>	<b>2022</b>
	<b>TOTAL</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>		
Tenant Charges	\$ 539,099	\$ 542,113
HUD Operating Grants	2,081,324	1,920,502
Other Income	19,024	28,865
<b>TOTAL REVENUES</b>	<b>2,639,447</b>	<b>2,491,480</b>
<b>OPERATING EXPENSES</b>		
Administrative Expenses	322,257	310,082
Tenant Services	1,708	1,200
Utilities Expenses	221,283	193,587
Ordinary Maintenance	296,634	294,932
Insurance Expense	63,310	68,083
General Expenses	42,476	59,433
Housing Assistance Payments	1,540,279	1,316,657
Depreciation Expense	255,321	252,655
<b>TOTAL OPERATING EXPENSES</b>	<b>2,743,268</b>	<b>2,496,629</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(103,821)</b>	<b>(5,149)</b>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Interest Income	2,269	572
Total Non-Operating Income/(Loss)	2,269	572
<b>CAPITAL CONTRIBUTIONS AND (LOSSES)</b>		
HUD Capital Grants	207,900	-
Total Capital Contributions.	207,900	-
<b>CHANGES IN NET POSITION</b>	<b>106,348</b>	<b>(4,577)</b>
<b>BEGINNING NET POSITION</b>	<b>3,552,507</b>	<b>3,557,084</b>
<b>ENDING NET POSITION</b>	<b>\$ 3,658,855</b>	<b>\$ 3,552,507</b>

See Accompanying Notes to Financial Statements

**NEW CASTLE HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023 (WITH 2022 COMPARABLE TOTALS) EXHIBIT C**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Tenants and Others	\$ 2,639,447	\$ 2,526,763
Payments to Employees	(292,253)	(284,680)
Payments to Vendors and Suppliers	(2,129,467)	(2,075,582)
Net Cash Provided by/(Used for) Operating Activities	<u>217,727</u>	<u>166,501</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	<u>2,269</u>	<u>572</u>
Net Cash Provided by/(Used for) Investing Activities	2,269	572
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
(Purchase)/Sale of Capital Assets	(1,798)	(53,535)
Capital Grants	207,900	-
(Increase)/Decrease in Deferred Outflow of Resources	(9,592)	(17,141)
Increase/(Decrease) in Deferred Inflow of Resources	<u>(141,852)</u>	<u>56,081</u>
Net Cash Provided by/(Used for) Financing Activities	<u>54,658</u>	<u>(14,595)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>274,654</u>	<u>152,478</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	853,340	853,340
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,127,994</u>	<u>\$ 1,005,818</u>
<b>Unrestricted Cash and Cash Equivalents at Fiscal Year End</b>	<u>\$ 1,064,270</u>	<u>\$ 913,688</u>
<b>Restricted Cash and Cash Equivalents at Fiscal Year End</b>	<u>63,724</u>	<u>92,130</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,127,994</u>	<u>\$ 1,005,818</u>
<b>Reconciliation of Operating Loss to Net Cash</b>		
<b>Used by Operating Activities</b>		
Operating Income/(Loss)	\$ (103,821)	\$ (5,149)
Adjustments To Reconcile:		
Depreciation	255,321	252,655
Changes in Assets and Liabilities		
(Increase)/Decrease in Accounts Receivable	12,374	(39,047)
(Increase)/Decrease in Prepaid Expenses	44,423	1,619
(Increase)/Decrease in Material Inventories	(2,794)	(1,165)
Increase/(Decrease) in Accounts Payable	4,606	6,571
Increase/(Decrease) in Accrued Liabilities	(66,007)	54,841
Increase/(Decrease) in Deferred Revenue	(3,519)	(29,251)
Increase/(Decrease) in Accrued Pension Liability	<u>77,144</u>	<u>(74,573)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 217,727</u>	<u>\$ 166,501</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>		
None		

See Accompanying Notes to Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**

**NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 1 - Organization and Program Description**

The New Castle Housing Authority (Authority) is a public body, corporate body and politically organized under the laws of the State of Indiana for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the mayor appoints a Governing Board for the Authority, but the Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development (HUD) to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities and provide funds to assist the Public Housing Authorities (PHAs) in financing the acquisition, construction, and/or leasing of housing units; make housing assistance payments; and make annual contributions (subsidies) to PHAs for the purpose of maintaining the low-income character of the local housing program.

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in the City's or County's financial report therefore, the Authority reports independently.

The Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low- and moderate-income persons. The majority of its funding is provided by the Department of Housing and Urban Development (HUD). All funds and programs are included in these statements.

**A. Reporting Entity**

The financial statements of the Authority have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America, as applicable to governmental units. As required by GAAP in the United States of America, the accompanying financial statements present the various program activities of the Authority. These principles define the reporting entity of the primary government, as well as its component units.

**Low Income Housing** - The low-income housing program provides subsidized housing to low-income residents. The Authority is the owner of public housing units located throughout the City. The Authority receives revenue from dwelling rental income and operating subsidies provided by HUD.

NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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**Capital Fund Grants** – Substantially all additions to land, buildings, and equipment are funded through Capital Grant Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority’s housing units. Funding is provided through programs established by HUD.

**Section 8 Housing Choice Voucher Program** - The Authority participates in the Housing Choice Voucher Program. This program is designed to provide privately owned, decent, safe and sanitary housing to low-income families. The Authority provides assistance to low-income persons seeking decent, safe and sanitary housing by subsidizing rents between such persons and owners of existing private housing. Under the program, the Authority enters into housing assistance payment contracts with eligible landlords. To fund the program, the Authority enters into annual contribution contracts with HUD for the receipt of rental subsidies. The Housing Choice Voucher program is also reported as an enterprise fund.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the Authority are organized and operated on the basis of fund accounts. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounts segregate funds according to their intended purpose and are used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**Enterprise Funds** are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time they are incurred. All assets and liabilities associated with the operation of these funds are included on the balance sheet.

**C. Fund Accounting**

Accounts are organized on the basis of funds. Each fund represents a separate program with a separate set of self-balancing accounts. All funds are reported as enterprise funds and are grouped as follows:

- PHA-Owned Housing consists of HUD-financed public housing owned by the Authority. Individual funds account for activities of the low-rent housing program, each capital fund phase, and the central office cost center. The funds are collectively known as low rent housing.

**Proprietary Funds** – The Authority’s operations are accounted for in a single *Enterprise Fund*. Enterprise Funds account for those operations that are financed and operated in a manner similar to private business or where the Authority has decided that the determination of revenues earned, costs incurred and/or net income are necessary for management accountability.

NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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**Management's 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** - Cash and cash equivalents are defined as short-term, highly liquid investments that are both: readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes all demand deposits, saving accounts and certificates of deposits or short-term investments with a maturity date of three months or less.

**Restricted Cash** - Restricted assets include cash legally restricted as to their use. The primary restricted assets are related to the low rent housing program for various funds restricted for tenants.

**Net Position** - Net position is comprised of three categories: (1) net investment in capital assets, (2) restricted net assets, and (3) unrestricted net assets. Each component of net position is reported separately on the statement of net position.

(1) Investment in capital assets, net of related debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

(2) Restricted for federal programs - the component of net position that reports the amount of revenue from a federal or state award for service programs in excess of expenditures. These funds are restricted for the use of the related federal or state program.

(3) Unrestricted - The difference between the assets and liabilities that is not reported in the net position invested in capital, net of related debt or net position restricted for federal and state programs.

It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fair Value** - GASB Statement No. 72, Fair Value Measurement and Application, is effective for periods beginning after June 15, 2015 with earlier application encouraged. This Statement should improve financial reporting by clarifying the definition of fair value for financial reporting purposes. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques. The disclosures should be organized by type asset or liability reported at fair value. The Authority does not anticipate a material impact on the financial statements as a result of this pronouncement.

**NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Pension** - The Authority has established a defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

**Inter-program Due to/from** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

**Federal Awards** - Federal grants for reimbursable programs are recognized as revenue in the year the related program expenditure occurs. Awards received prior to meeting revenue recognition criterion are recorded as deferred revenue. Operating grants are recorded as revenue in the year earned.

**Investments** - The Authority has estimated the fair values of its financial investments using available market information and other valuation methodologies in accordance with GASB Statement No. 31. Federal statutes authorize investment of excess federal funds in instruments guaranteed by the federal government. The Authority has adopted this policy for all invested funds, whether or not they are federal funds. The Authority is also in compliance with all state and local laws and regulations regarding investments.

**Inventories** - Inventories are stated at the lower of cost or market.

**Prepaid Expenditures** - Payments made to vendors for services that will benefit periods beyond fiscal year end are recorded as prepaid items.

**Compensated Absences** - Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

**Capital Assets** - The Authority capitalizes capital assets with a cost of more than \$500 and a useful life of one year or more. Proprietary fund types focus on capital maintenance. Accordingly, land, structures and equipment are recorded in the enterprise fund, which acquires such assets.

Capital assets are stated at cost or at estimated historical cost. The cost of maintenance and repairs is charged to operations as incurred and improvements are capitalized. Capital assets are depreciated over their useful lives using the straight-line method of depreciation as follows:

Land Improvements	15 years
Buildings	40 years

NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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Office Furniture and Equipment      3-10 years

**Operating Revenues and Expenses** - 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 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 in the non-operating revenue and expense.

**Risk Management** - The Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority manages these various risks of loss with the following insurance coverage: worker's compensation, property and equipment, liability, flood and automobile. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**Concentration of Risk** - During the year fiscal year, the Authority received approximately 77 percent of its revenue from HUD.

**Compliance** - The Authority is subject to various federal, state and local laws and regulations and contractual regulations.

**Note 2 - Budget Information**

**Enterprise Funds** - The Authority is required by contractual agreements to adopt annual operating budgets for all its enterprise funds receiving federal expenditure awards. The Executive Director prepares all budgets on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America.

Operating budgets for the year are prepared for all programs. Budgets are submitted by the Authority's Executive Director and approved by resolutions of the Board of Commissioners and/or HUD. Appropriations for capital projects are authorized at the fund and expenditure level, and effective budgetary control is achieved through periodic budgeting and reporting requirements.

**NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 3 - Cash and Cash Equivalents**

Cash and cash equivalents totaled \$1,127,994, at June 30, 2023, and are maintained in commercial checking accounts and are readily available. HUD regulations require authorities to maintain funds in accounts that are fully collateralized by United States government securities.

Cash amounts in excess of the \$250,000, FDIC limit, insured by the government were collateralized by government securities and held in the pledging financial institutions' trust departments in the Authority's name. The Authority is also in compliance with all state and local laws and regulations regarding cash equivalents. Of the total cash on hand at June 30, 2023, \$1,064,270 was unrestricted and \$63,724 was restricted as shown below.

Unrestricted Cash	\$ 1,064,270
Restricted Cash:	
Tenant Security Deposits	56,837
Housing Assistance Payments	-
Other Restricted Cash	<u>6,887</u>
Total Restricted Cash	<u>63,724</u>
Total Cash	<u>\$ 1,127,994</u>

**Note 4 - Accounts Receivable**

At June 30, 2023, accounts receivable totaled \$39,499, and consisted of the following:

<b>Accounts Receivable</b>	<b>Amount</b>
Tenant Accts. Receivable	\$ 8,260
Allowance for Doubtful Accounts	(403)
Accounts Receivable HUD	23,126
Accts. Rec. Fruad Recovery	22,630
Allowance for Fruad Accounts	(17,967)
Accounts Receivable - Other	<u>3,853</u>
<b>Total Accounts Receivable</b>	<u><u>\$ 39,499</u></u>

The Authority reviews the accounts receivable periodically. During the year \$13,253 was charged to bad debts.

**Note 5 - Prepaid Assets**

Prepaid assets totaled \$20,277, at June 30, 2023, and consisted of various prepaid expenses and deposits.

**NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 6 - Material Inventories - Net**

Material inventories net totaled \$29,399, at June 30, 2023. Material inventories are stated at the lower of cost or market. Inventory at year end totaled \$30,914, with an allowance of (\$1,515).

**Note 7 - Land, Structures and Equipment**

Capital assets totaled \$2,618,234 at June 30, 2023, as shown in the table below:

<b>Capital Assets</b>	<b>06/30/21</b>	<b>Additions / Deletions</b>	<b>06/30/22</b>
Land	\$ 917,432	\$	\$ 917,432
Buildings and Improvements	8,305,554		8,305,554
Equipment and Furniture	286,838	4,519	291,357
Construction in Progress	-	207,900	207,900
Less Accum. Depreciation	(6,850,486)	(253,523)	(7,104,009)
<b>Total Capital Assets</b>	<b>\$ 2,659,338</b>	<b>\$ (41,104)</b>	<b>\$ 2,618,234</b>

Capital additions totaled \$4,519, construction in progress totaled \$207,900 and there were dispositions of \$1,798 that were fully depreciated. Depreciation expense for the year totaled \$255,321.

**Note 8 - Deferred Outflow of Resources**

Deferred outflow of resources totaled \$66,525, at June 30, 2023, and consist of payments made to the pension plan after the Plan year-end, and any positive changes or differences in plan expectations.

**Note 9 - Accounts Payable**

Accounts payable totaled \$84,287, at June 30, 2023, which consisted of the following:

<b>Accounts Payable</b>	<b>Amount</b>
Vendors	\$ 14,356
Security Deposits	56,837
Other Payables	13,094
<b>Total Accounts Payable</b>	<b>\$ 84,287</b>

NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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**Note 10 - Accrued Payables**

Accrued liabilities totaled \$9,867, at June 30, 2023, of which consisted of the following:

Accrued Wages	\$	1,792
Compensated Absences		5,727
Other Accrued Payables		<u>2,348</u>
Total Current Accrued Liabilities		9,867

**Note 11 - Deferred Revenue**

Deferred revenue totaled \$6,887, which consisted of prepaid rents.

**Note 12 - Accrued Pension Expense**

Accrued pension expense liability totaled \$132,146, which consisted of the proportionate share of the liability owed to the pension plan.

**Note 13 - Deferred Inflow of Resources**

Deferred inflow of resources totaled \$8,470, at June 30, 2023, and consist of differences between actual investments and expected amounts, and any negative changes or differences in plan expectations.

**Note 14 - Employee Benefit Plans**

The New Castle Housing Authority (Housing Authority) participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Indiana Public Retirement System (INPRS) and is based on Title 35 of IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). The Public Employees' Retirement Fund (PERF) Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees. INPRS financial reports are available online at [www.in.gov/inprs/annualreports.htm](http://www.in.gov/inprs/annualreports.htm).

Members include officers and employees of units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by resolution of the governing body, which specifies the classifications of employees who will become members of the PERF Hybrid Plan.

Retirement benefits consist of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits vest after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account.

**NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit. A member who is at least 55 years old and if age plus number of years of creditable service is at least 85 is entitled to 100% of the benefits described above. The monthly pension benefits for members in pay status may be increased periodically as cost-of-living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA provided for the year ended June 30, 2023.

Members are required by statute to make contributions to the plan as determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. During fiscal year 2023, all participating employers contributed an average rate of 11.2% of covered payroll. The Authority's required contribution to the plan for the fiscal year ended June, 30 2023 was \$31,884. A contribution of 3% of covered payroll was contributed by the employees into the annuity savings account portion.

**Note 15 - Operating Lease Commitments and Contingencies**

The Authority receives financial assistance from federal government agencies in the form of grants and operating subsidies. Disbursements of funds received under these programs require compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. In the opinion of management, any such disallowed claims would not have a material effect on the overall financial position of the Authority.

The Authority has under its normal operations entered into commitments for the purchase of maintenance, cleaning and other services. Such commitments are monthly or annual.

The Authority also has certain contingent liabilities resulting from litigations, claims, and commitments incident to the ordinary course of business. Management expects the final resolution of such contingencies will not have a material adverse effect on the financial position of the Authority.

**Note 16 - Allocation of Cost**

The Authority allocates expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units or staff in each program. Management considers this to be an equitable method of allocation.

**NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 17 - Subsequent Events**

Management has performed an analysis of activities and transactions subsequent to fiscal year end, to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended June 30, 2023. Management has performed their analysis through March 1, 2024, the date the financial statements were issued. The Authority has not evaluated events occurring after the issuance date in these financial statements.

**SUPPLEMENTAL INFORMATION**

**NEW CASTLE HOUSING AUTHORITY**  
**STATEMENT OF PROGRAM NET POSITION**  
**JUNE 30, 2023**

**EXHIBIT D**

	Low Rent Program	Housing Choice Vouchers	Eliminations	2023 TOTAL
<b>ASSETS</b>				
Cash and Cash Equivalents (Unrestricted)	\$ 677,393	\$ 386,877	\$	\$ 1,064,270
Cash and Cash Equivalents (Restricted)	63,724	-		63,724
Accounts Receivable (net allowances)	11,297	28,202		39,499
Prepaid, Deposits and Escrows	15,642	4,635		20,277
Inventory (net allowances)	29,399	-		29,399
<b>TOTAL CURRENT ASSETS</b>	<u>797,455</u>	<u>419,714</u>	<u>-</u>	<u>1,217,169</u>
Capital Assets, Net	2,571,799	46,435		2,618,234
<b>TOTAL NON-CURRENT ASSETS</b>	<u>2,571,799</u>	<u>46,435</u>	<u>-</u>	<u>2,618,234</u>
Deferred Pension Resources	56,996	9,529		66,525
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>56,996</u>	<u>9,529</u>	<u>-</u>	<u>66,525</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,426,250</u>	<u>\$ 475,678</u>	<u>\$ -</u>	<u>\$ 3,901,928</u>
<b>LIABILITIES AND NET POSITION</b>				
Accounts Payable	\$ 83,369	\$ 918	\$ -	\$ 84,287
Accrued Liabilities	8,725	1,142		9,867
Deferred Revenue	6,887	-		6,887
<b>TOTAL CURRENT LIABILITIES</b>	<u>98,981</u>	<u>2,060</u>	<u>-</u>	<u>101,041</u>
Accrued Liabilities - Non Current	113,217	18,929		132,146
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>113,217</u>	<u>18,929</u>	<u>-</u>	<u>132,146</u>
<b>TOTAL LIABILITIES</b>	<u>212,198</u>	<u>20,989</u>	<u>-</u>	<u>233,187</u>
Deferred Pension Resources	8,470	1,416		9,886
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>8,470</u>	<u>1,416</u>	<u>-</u>	<u>9,886</u>
Invested in Capital Assets	2,571,799	46,435		2,618,234
Unrestricted Net Position	633,783	406,838		1,040,621
Restricted Net Position	-	-		-
<b>TOTAL NET POSITION</b>	<u>3,205,582</u>	<u>453,273</u>	<u>-</u>	<u>3,658,855</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 3,426,250</u>	<u>\$ 475,678</u>	<u>\$ -</u>	<u>\$ 3,901,928</u>

See Accompanying Notes to the Financial Statements

**NEW CASTLE HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

**EXHIBIT E**

	Low Rent Program	Housing Choice Vouchers	Eliminations	2023 TOTAL
<b>OPERATING REVENUES</b>				
Net Tenant Rental Revenue	\$ 539,099	\$	\$	\$ 539,099
HUD Operating Grants	583,949	1,705,275		2,289,224
Other Income	6,600	12,424		19,024
<b>TOTAL OPERATING REVENUES</b>	<b>1,129,648</b>	<b>1,717,699</b>	<b>-</b>	<b>2,847,347</b>
<b>OPERATING EXPENSES</b>				
Administrative Expenses	222,819	99,438		322,257
Tenant Services	1,708			1,708
Utilities Expense	221,283			221,283
Ordinary Maintenance and Materials	286,140	10,494		296,634
Insurance Expense	60,481	2,829		63,310
General Expenses	24,534	17,942		42,476
Housing Assistance Payments		1,540,279		1,540,279
Depreciation Expense	245,893	9,428		255,321
<b>TOTAL OPERATING EXPENSES</b>	<b>1,062,858</b>	<b>1,680,410</b>	<b>-</b>	<b>2,743,268</b>
<b>OPERATING INCOME (LOSS)</b>	<b>66,790</b>	<b>37,289</b>	<b>-</b>	<b>104,079</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	2,232	37		2,269
<b>INCOME BEFORE OTHER REVENUES (EXPENSES)</b>	<b>2,232</b>	<b>37</b>	<b>-</b>	<b>2,269</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Capital Contributions	-			-
<b>TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>69,022</b>	<b>37,326</b>	<b>-</b>	<b>106,348</b>
<b>NET POSITION AT BEGINNING OF PERIOD</b>	<b>3,136,560</b>	<b>415,947</b>		<b>3,552,507</b>
<b>NET POSITION AT END OF PERIOD</b>	<b>\$ 3,205,582</b>	<b>\$ 453,273</b>	<b>\$ -</b>	<b>\$ 3,658,855</b>

See Accompanying Notes to the Financial Statements

New Castle Housing Authority (IN050)

New Castle, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$677,393	\$386,877	\$1,064,270		\$1,064,270
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits	\$56,837		\$56,837		\$56,837
115 Cash - Restricted for Payment of Current Liabilities	\$6,887		\$6,887		\$6,887
100 Total Cash	\$741,117	\$386,877	\$1,127,994	\$0	\$1,127,994
121 Accounts Receivable - PHA Projects		\$413	\$413		\$413
122 Accounts Receivable - HUD Other Projects		\$23,126	\$23,126		\$23,126
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$3,440		\$3,440		\$3,440
126 Accounts Receivable - Tenants	\$8,260		\$8,260		\$8,260
126.1 Allowance for Doubtful Accounts -Tenants	-\$403		-\$403		-\$403
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery		\$22,630	\$22,630		\$22,630
128.1 Allowance for Doubtful Accounts - Fraud		-\$17,967	-\$17,967		-\$17,967
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$11,297	\$28,202	\$39,499	\$0	\$39,499
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$15,642	\$4,635	\$20,277		\$20,277
143 Inventories	\$30,914		\$30,914		\$30,914
143.1 Allowance for Obsolete Inventories	-\$1,515		-\$1,515		-\$1,515
144 Inter Program Due From	\$0		\$0		\$0
145 Assets Held for Sale					
150 Total Current Assets	\$797,455	\$419,714	\$1,217,169	\$0	\$1,217,169
161 Land	\$917,432		\$917,432		\$917,432
162 Buildings	\$8,273,819	\$31,735	\$8,305,554		\$8,305,554
163 Furniture, Equipment & Machinery - Dwellings	\$67,712		\$67,712		\$67,712
164 Furniture, Equipment & Machinery - Administration	\$181,581	\$42,064	\$223,645		\$223,645
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$7,076,645	-\$27,364	-\$7,104,009		-\$7,104,009
167 Construction in Progress	\$207,900		\$207,900		\$207,900
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,571,799	\$46,435	\$2,618,234	\$0	\$2,618,234
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	\$2,571,799	\$46,435	\$2,618,234	\$0	\$2,618,234
200 Deferred Outflow of Resources	\$56,996	\$9,529	\$66,525		\$66,525
290 Total Assets and Deferred Outflow of Resources	\$3,426,250	\$475,678	\$3,901,928	\$0	\$3,901,928
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$13,438	\$918	\$14,356		\$14,356

New Castle Housing Authority (IN050)

New Castle, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$1,792		\$1,792		\$1,792
322 Accrued Compensated Absences - Current Portion	\$4,585	\$1,142	\$5,727		\$5,727
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$13,094		\$13,094		\$13,094
341 Tenant Security Deposits	\$56,837		\$56,837		\$56,837
342 Unearned Revenue	\$6,887		\$6,887		\$6,887
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	\$2,348		\$2,348		\$2,348
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$98,981	\$2,060	\$101,041	\$0	\$101,041
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	\$113,217	\$18,929	\$132,146		\$132,146
350 Total Non-Current Liabilities	\$113,217	\$18,929	\$132,146	\$0	\$132,146
300 Total Liabilities	\$212,198	\$20,989	\$233,187	\$0	\$233,187
400 Deferred Inflow of Resources	\$8,470	\$1,416	\$9,886		\$9,886
508.4 Net Investment in Capital Assets	\$2,571,799	\$46,435	\$2,618,234		\$2,618,234
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$633,783	\$406,838	\$1,040,621		\$1,040,621
513 Total Equity - Net Assets / Position	\$3,205,582	\$453,273	\$3,658,855	\$0	\$3,658,855
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,426,250	\$475,678	\$3,901,928	\$0	\$3,901,928

New Castle Housing Authority (IN050)  
New Castle, IN  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$518,307		\$518,307		\$518,307
70400 Tenant Revenue - Other	\$20,792		\$20,792		\$20,792
70500 Total Tenant Revenue	\$539,099	\$0	\$539,099	\$0	\$539,099
70600 HUD PHA Operating Grants	\$376,049	\$1,705,275	\$2,081,324		\$2,081,324
70610 Capital Grants	\$207,900		\$207,900		\$207,900
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$2,232	\$37	\$2,269		\$2,269
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	\$6,600	\$12,424	\$19,024		\$19,024
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$1,131,880	\$1,717,736	\$2,849,616	\$0	\$2,849,616
91100 Administrative Salaries	\$129,923	\$59,520	\$189,443		\$189,443
91200 Auditing Fees	\$5,460		\$5,460		\$5,460
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$207		\$207		\$207
91500 Employee Benefit contributions - Administrative	\$28,046		\$28,046		\$28,046
91600 Office Expenses	\$18,954	\$11,130	\$30,084		\$30,084
91700 Legal Expense	\$600		\$600		\$600
91800 Travel		\$12	\$12		\$12
91810 Allocated Overhead					
91900 Other	\$39,629	\$28,776	\$68,405		\$68,405
91000 Total Operating - Administrative	\$222,819	\$99,438	\$322,257	\$0	\$322,257
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$1,708		\$1,708		\$1,708
92500 Total Tenant Services	\$1,708	\$0	\$1,708	\$0	\$1,708
93100 Water	\$3,557		\$3,557		\$3,557
93200 Electricity	\$187,184		\$187,184		\$187,184
93300 Gas	\$3,770		\$3,770		\$3,770
93400 Fuel					
93500 Labor					
93600 Sewer	\$23,722		\$23,722		\$23,722
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense	\$3,050		\$3,050		\$3,050
93000 Total Utilities	\$221,283	\$0	\$221,283	\$0	\$221,283

New Castle Housing Authority (IN050)  
New Castle, IN  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$102,810		\$102,810		\$102,810
94200 Ordinary Maintenance and Operations - Materials and Other	\$83,093	\$1,062	\$84,155		\$84,155
94300 Ordinary Maintenance and Operations Contracts	\$68,043	\$9,432	\$77,475		\$77,475
94500 Employee Benefit Contributions - Ordinary Maintenance	\$32,194		\$32,194		\$32,194
94000 Total Maintenance	\$286,140	\$10,494	\$296,634	\$0	\$296,634
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$53,686		\$53,686		\$53,686
96120 Liability Insurance	\$2,381		\$2,381		\$2,381
96130 Workmen's Compensation	\$1,615	\$626	\$2,241		\$2,241
96140 All Other Insurance	\$2,799	\$2,203	\$5,002		\$5,002
96100 Total insurance Premiums	\$60,481	\$2,829	\$63,310	\$0	\$63,310
96200 Other General Expenses	\$2,184	\$1,214	\$3,398		\$3,398
96210 Compensated Absences	\$9,256	\$3,475	\$12,731		\$12,731
96300 Payments in Lieu of Taxes	\$13,094		\$13,094		\$13,094
96400 Bad debt - Tenant Rents		\$13,253	\$13,253		\$13,253
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$24,534	\$17,942	\$42,476	\$0	\$42,476
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$816,965	\$130,703	\$947,668	\$0	\$947,668
97000 Excess of Operating Revenue over Operating Expenses	\$314,915	\$1,587,033	\$1,901,948	\$0	\$1,901,948
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$1,528,587	\$1,528,587		\$1,528,587
97350 HAP Portability-In		\$11,692	\$11,692		\$11,692
97400 Depreciation Expense	\$245,893	\$9,428	\$255,321		\$255,321
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,062,858	\$1,680,410	\$2,743,268	\$0	\$2,743,268
10010 Operating Transfer In	\$45,411		\$45,411	-\$45,411	\$0
10020 Operating transfer Out	-\$45,411		-\$45,411	\$45,411	\$0
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					

New Castle Housing Authority (IN050)  
New Castle, IN  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$69,022	\$37,326	\$106,348	\$0	\$106,348
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$3,136,560	\$415,947	\$3,552,507		\$3,552,507
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$0		\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$453,273	\$453,273		\$453,273
11180 Housing Assistance Payments Equity		\$0	\$0		\$0
11190 Unit Months Available	1872	3644	5516		5516
11210 Number of Unit Months Leased	1865	3644	5509		5509
11270 Excess Cash	\$585,353		\$585,353		\$585,353
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$207,900		\$207,900		\$207,900
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0		\$0
11650 Leasehold Improvements Purchases	\$0		\$0		\$0
11660 Infrastructure Purchases	\$0		\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0		\$0

NEW CASTLE HOUSING AUTHORITY  
 SCHEDULE EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT F

FEDERAL GRANTOR	ALN #	FEDERAL AWARDS EXPENDED	TOTAL PROGRAM EXPENDITURES
<b>Major Federal Programs - U S Department of Housing and Urban Development</b>			
<u>Housing Choice Voucher Cluster</u>			
Section 8 Housing Choice Voucher	14.871	\$ 1,717,699	\$ 1,680,410
Total Major Federal Program		<u>1,717,699</u>	<u>1,680,410</u>
<b>Non-Major Federal Programs - U S Department of Housing and Urban Development</b>			
Public and Indian Housing	14.850	330,638	809,547
Public Housing Capital Fund Program	14.872	253,311	253,311
Total Non-Major Federal Program		<u>583,949</u>	<u>1,062,858</u>
<b>Total All Programs</b>		<u>\$ 2,301,648</u>	<u>\$ 2,743,268</u>

**NEW CASTLE HOUSING AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 1 - Basis of Presentation**

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

The schedule summarizes the federal funds expended by the Authority under the programs of the federal government during the year ended June 30, 2023. The awards are classified into major and non-major program categories in accordance with the provisions of the Uniform Guidance. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended June 30, 2023, and should be read in conjunction with the Authority's consolidated financial statements.

The Authority did not elect to use the 10% de minimis cost rate as covered in 2 CFR 200.414 Indirect (F&A) costs.

**Note 2 - Sources of Funding**

The schedule includes all grants and contracts entered into directly between the Authority and agencies and departments of the federal government, as well as federal funds passed-through to the Authority by primary recipients. The Authority provided no part of its direct grant federal dollars to sub-recipients.

**Note 3 - Sub-recipients**

There were no sub-recipients for the year ended June 30, 2023.

**Note 4 - Loans Outstanding**

There were no federal loans outstanding for the year ended June 30, 2023.

**Note 5 - Non-Cash Assistance**

The Authority provided no non-cash assistance for the year ended June 30, 2023.

**Note 6 - Insurance**

The Authority had no federal insurance for the year ended June 30, 2023.

NEW CASTLE HOUSING AUTHORITY  
 STATEMENT OF CAPITAL FUND PROGRAM COST UNCOMPLETED  
 FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT G

PHASES IN36P050501 - 21, 22 AND 23
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	501-21	501-22	501-23	Total
Funds Approved	\$ 279,939	\$ 299,071	\$ 297,367	\$ 876,377
Funds Expended	<u>279,939</u>	<u>299,071</u>	<u>65,452</u>	<u>644,462</u>
Excess\ (Deficit) of Funds Approved	\$ <u>-</u>	\$ <u>-</u>	\$ <u>231,915</u>	\$ <u>231,915</u>
Funds Advanced	\$ 279,939	\$ 299,071	\$ 65,452	\$ 644,462
Funds Expended	<u>279,939</u>	<u>299,071</u>	<u>65,452</u>	<u>644,462</u>
Excess\ (Deficit) of Funds Advanced	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

- 1) Capital Fund Program costs for Phases IN36P050501 - 21, 22 and 23 are shown above.
- 2) Cost additions during this fiscal year, totaled \$253,311, and were audited by VB&C.

**NEW CASTLE HOUSING AUTHORITY  
STATEMENT OF CAPITAL FUND PROGRAM COST COMPLETED  
FOR THE YEAR ENDED JUNE 30, 2023**

**EXHIBIT H**

<b>ANNUAL CONTRIBUTION CONTRACT PHASES IN36P050501 - 15, 16, 18, 19 and 20</b>
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	<b>501-15</b>	<b>501-16</b>	<b>501-18</b>	<b>501-19</b>	<b>501-20</b>	<b>Total</b>
A. Funds Approved \$	161,945 \$	167,676 \$	269,240 \$	279,939 \$	299,070 \$	1,177,870
B. Funds Disbursed	161,945	167,676	269,240	279,939	299,070	1,177,870
C. Funds Expended	161,945	167,676	269,240	279,939	299,070	1,177,870
D. Amount to be Recaptured (A-C)	-	-	-	-	-	-
E. Excess of Funds Disbursed (B-C)	-	-	-	-	-	-

- 1 That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Comprehensive Grant, is as shown above:
- 2 That all modernization work in connection with the Comprehensive Grant has been completed;
- 3 That the entire Actual Modernization Cost or liabilities therefore incurred by the PHA have been fully paid;
- 4 That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
- 5 That the time in which such could be filed has expired; and
- 6 That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, as amended, the grantee has or will perform an audit in compliance with said requirements.

## **SINGLE AUDIT REPORTS**

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed  
In Accordance with Government Auditing Standards**

Board of Commissioners  
New Castle Housing Authority  
New Castle, IN 47362

U.S. Department of Housing and Urban  
Development, Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

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 primary government business type activities and the blended component units of the New Castle Housing Authority (Authority), as of and for the year ended June 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 March 1, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) as a basis for designing 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 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.

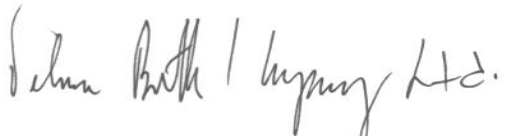
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in cursive script that reads "Velma Butler & Company, Ltd.".

Velma Butler & Company, Ltd.  
Chicago, Illinois

March 1, 2024

**Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

**Independent Auditor's Report**

Board of Commissioners  
New Castle Housing Authority  
New Castle, IN 47362

U.S. Department of Housing and Urban  
Development, Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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 June 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Responsibilities 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 is 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 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 with 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.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.

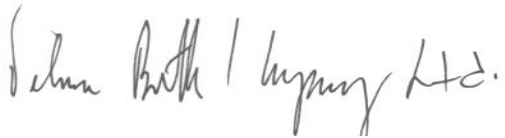
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

## Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2023, and have issued our report thereon dated March 1, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Velma Butler & Company, Ltd.  
Chicago, Illinois

March 1, 2024

**Independent Auditor's Report on Applying Agreed-Upon Procedures**

Board of Commissioners  
New Castle Housing Authority  
New Castle, IN 47362

U.S. Department of Housing and Urban  
Development, Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

We have performed the procedure described in the second paragraph of this report, which was agreed to by the New Castle Housing Authority (Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. 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 document listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit of the financial statements of the Authority as of and for the year ended June 30, 2023, and have issued our report thereon dated March 1, 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 Housing Authority's Financial Data Schedule (FDS) dated March 1, 2024, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the FDS, which included the auditor's report, is available in its entirety from the Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit report. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Velma Butler & Company, Ltd." The signature is written in dark ink on a light-colored background.

Velma Butler & Company, Ltd.  
Chicago, Illinois

March 1, 2024

**SCHEDULE OF FINDINGS AND QUESTIONED COST**

**NEW CASTLE HOUSING AUTHORITY  
SUMMARY OF AUDITOR'S RESULTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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*Section I – Summary of Auditor's Results*

***Financial Statements***

The type of report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified?      \_\_\_ Yes       X  No

Deficiencies identified not considered to be material weaknesses?  
   \_\_\_ Yes       X  None reported

Noncompliance material to financial statements noted?  
   \_\_\_ Yes       X  None reported

***Federal Awards***

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

Internal control over major programs:

Material weakness(es) identified?      \_\_\_ Yes       X  No

Deficiencies identified not considered to be material weaknesses?  
   \_\_\_ Yes       X  None reported

Any audit findings disclosed that are required to be reported in accordance with Uniform Audit Guidance?

   \_\_\_ Yes       X  No

Identification of major program:

**U.S. Department of Housing and Urban Development**

<u>ALN Number</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers

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

Auditee qualified as low-risk auditee?       X  Yes      \_\_\_ No

**NEW CASTLE HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CURRENT YEAR  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section II - Financial Statement Findings**

There were no reportable findings for the fiscal year ended June 30, 2023.

**Section III - Federal Award Findings and Questioned Costs**

There were no reportable findings for the fiscal year ended June 30, 2023.

**NEW CASTLE HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - PRIOR YEAR  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section IV - Financial Statement Findings**

There were no reportable findings for the fiscal year ended June 30, 2022.

**Section V - Federal Award Findings and Questioned Costs**

There were no reportable findings for the fiscal year ended June 30, 2022.