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October 6, 2022

Board of Commissioners
New Castle Housing Authority
274 South 14th Street
New Castle, IN 47362

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, 2020 to June 30, 2021. 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, 2021, 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 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

**NEW CASTLE HOUSING AUTHORITY
INDEPENDENT AUDITORS' REPORT,
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION,
INCLUDING SINGLE AUDIT REPORTS
FOR THE YEAR ENDED
JUNE 30, 2021**

NEW CASTLE HOUSING AUTHORITY

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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

Report on the Financial Statements

We have audited the accompanying financial statements of the New Castle Housing Authority (the Authority), Indiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk of assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary government business type activities of the Authority, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, we did not audit the information and express no opinion on it.

Other Information

Our audit was conducted for the purpose for forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanied financial data schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Velma Butler & Company Ltd." The signature is written in dark ink and is positioned above the printed name of the firm.

Velma Butler & Company, Ltd.
Chicago, Illinois

September 9, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

New Castle Housing Authority
274 S. 14th 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, 2021. 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, 2021. 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, 2021, an increase of \$97 thousand from the \$3.8 million at June 30, 2020, mainly due to increases in capital assets.
- Net capital assets were \$2.9 million at June 30, 2021, an increase of \$94 thousand from \$2.8 million at June 30, 2020. This was primarily due to building improvements.
- Total liabilities decreased by \$128 thousand to \$263 thousand at June 30, 2021 from \$391 thousand at September 30, 2020.
- Total net position was \$3.5 million at June 30, 2021, an increase of about \$215 thousand or 6.6 percent from prior year balance of \$3.3 million.
- Total revenue was \$2.6 million at June 30, 2021, an increase of \$241 thousand from the June 30, 2020, balance of \$2.4 million. The increase was primarily due to the increased HUD funding.

- Total expenses increased by \$49 thousand to \$2.4 million at June 30, 2021 from \$2.3 million at June 30, 2020.

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>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percentage Change</u>
Current Assets	\$ 957,925	\$ 963,889	\$ (5,964)	-0.6%
Non-Current Assets	2,858,458	2,764,586	93,872	3.4%
Deferred Outflows	39,792	31,147	8,645	27.8%
Total Assets & Deferred Outflows	\$ 3,856,175	\$ 3,759,622	\$ 96,553	2.6%
Current Liabilities	\$ 133,800	\$ 242,806	\$ (109,006)	-44.9%
Non-Current Liabilities	129,575	149,058	(19,483)	-13.1%
Total Liabilities	263,375	391,864	(128,489)	-32.8%
Deferred Inflows	35,716	26,420	9,296	35.2%
Unrestricted	682,416	552,790	129,626	23.4%
Restricted Net Assets	16,210	23,962	(7,752)	0.0%
Net Investment in Capital Assets	2,858,458	2,764,586	93,872	3.4%
Total Net Position	3,557,084	3,341,338	215,746	6.5%
Total Liabilities, Deferred Inflows and Net Position	\$ 3,856,175	\$ 3,759,622	\$ 96,553	2.6%

As shown in Table 1, the Authority's total net position at June 30, 2021, was approximately \$3.6 million, a 6.5 percent increase from the June 30, 2020, balance of \$3.3 million.

Capital Assets

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>Percentage Change</u>
Land	\$ 917,432	\$ 917,432	\$ -	0.0 %
Building	8,255,653	8,034,848	220,805	2.7 %
Equipment	263,777	250,659	13,118	5.2 %
Accumulated Depreciaton	(6,601,824)	(6,438,353)	(163,471)	2.5 %
Construction In Progress	23,420		23,420	%
Total Capital Assets	\$ 2,858,458	\$ 2,764,586	\$ 93,872	3.4 %

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 \$2.6 million by \$241 thousand or 10.2 percent for the year ended June 30, 2021.

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

	2021	2020	Change	Percentage Change
Tenant Revenue	\$ 490,879	\$ 477,657	\$ 13,222	2.8 %
HUD Operating Grants	1,870,309	1,716,163	154,146	9.0 %
Capital Funds	224,013	154,669	69,344	44.8 %
Interest Income	1,934	4,851	(2,917)	-60.1 %
Other Income	24,992	17,739	7,253	40.9 %
Total Revenue	<u>2,612,127</u>	<u>2,371,079</u>	<u>241,048</u>	10.2 %
Admin Expenses	332,358	299,074	33,284	11.1 %
Tenant Expenses	4,574	2,051	2,523	0.0 %
Utilities	173,208	172,516	692	0.4 %
Ordinary Maintenance	295,894	369,997	(74,103)	-20.0 %
Insurance	60,783	42,514	18,269	43.0
General Expenses	38,581	35,811	2,770	7.7 %
Housing Assist. Payments	1,266,889	1,178,099	88,790	7.5 %
Depreciation	224,094	246,676	(22,582)	-9.2 %
Total Expenses	<u>2,396,381</u>	<u>2,346,738</u>	<u>49,643</u>	2.1 %
Change in Net Position	215,746	24,341	191,405	786.3 %
Beginning Net Position	3,341,338	3,316,997	24,341	0.7 %
Ending Net Position	<u>\$ 3,557,084</u>	<u>\$ 3,341,338</u>	<u>\$ 215,746</u>	6.5 %

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 14th Street, New Castle, IN 47362.

BASIC FINANCIAL STATEMENTS

NEW CASTLE HOUSING AUTHORITY
 STATEMENT OF NET POSITION - ENTERPRISE FUND
 JUNE 30, 2021

EXHIBIT A

	2021 TOTAL
ASSETS	
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	\$ 741,845
Cash and Cash Equivalents - Restricted	111,495
Accounts Receivable, net	12,826
Prepaid Expenses	66,319
Material Inventories, net	25,440
Total Current Assets	<u>957,925</u>
<u>NON CURRENT ASSETS</u>	
Capital Assets, net	<u>2,858,458</u>
Total Non-Current Assets	2,858,458
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Deferred Pension Resources	<u>39,792</u>
Total Deferred Outflow of Resources	39,792
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ <u>3,856,175</u>
LIABILITIES AND NET POSITION	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	\$ 73,110
Accrued Liabilities	21,033
Deferred Revenue	<u>39,657</u>
Total Current Liabilities	133,800
<u>NON CURRENT LIABILITIES</u>	
Accrued Pension Expenses	<u>129,575</u>
Total Non Current Liabilities	129,575
Total Liabilities	<u>263,375</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred Pension Resources	<u>35,716</u>
Total Deferred Inflow of Resources	35,716
<u>NET POSITION</u>	
Unrestricted Net Position	682,416
Restricted Net Position	16,210
Net Investment in Capital Assets	<u>2,858,458</u>
Total Net Position	3,557,084
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$ <u>3,856,175</u>

See Accompanying Notes to Financial Statements

NEW CASTLE HOUSING AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B

	2021 TOTAL
OPERATING REVENUES	
Tenant Charges	\$ 490,879
HUD Operating Grants	1,870,309
Other Income	24,992
TOTAL REVENUES	2,386,180
OPERATING EXPENSES	
Administrative Expenses	332,358
Tenant Services	4,574
Utilities Expenses	173,208
Ordinary Maintenance	295,894
Insurance Expense	60,783
General Expenses	38,581
Housing Assistance Payments	1,266,889
Depreciation Expense	224,094
TOTAL OPERATING EXPENSES	2,396,381
OPERATING INCOME (LOSS)	(10,201)
NON-OPERATING REVENUES AND (EXPENSES)	
Interest Income	1,934
Total Non-Operating Income/(Loss)	1,934
CAPITAL CONTRIBUTIONS AND (LOSSES)	
HUD Capital Grants	224,013
Total Capital Contributions.	224,013
CHANGES IN NET POSITION	215,746
BEGINNING NET POSITION	3,341,338
ENDING NET POSITION	\$ 3,557,084

See Accompanying Notes to Financial Statements

**NEW CASTLE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT C

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tenants and Others	\$ 2,526,763
Payments to Employees	(308,438)
Payments to Vendors and Suppliers	(2,018,415)
Net Cash Provided by/(Used for) Operating Activities	<u>199,910</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>1,934</u>
Net Cash Provided by/(Used for) Investing Activities	1,934
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
(Purchase)/Sale of Capital Assets	(326,127)
Capital Grants	224,013
(Increase)/Decrease in Deferred Outflow of Resources	(5,523)
Increase/(Decrease) in Deferred Inflow of Resources	9,296
Net Cash Provided by/(Used for) Financing Activities	<u>(98,341)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>103,503</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	749,837
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 853,340</u>
Unrestricted Cash and Cash Equivalents at Fiscal Year End	\$ 741,845
Restricted Cash and Cash Equivalents at Fiscal Year End	111,495
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 853,340</u>
Reconciliation of Operating Loss to Net Cash	
Used by Operating Activities	
Operating Income/(Loss)	\$ (10,201)
Adjustments To Reconcile:	
Depreciation	224,094
Changes in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	111,085
(Increase)/Decrease in Prepaid Expenses	(10,447)
(Increase)/Decrease in Material Inventories	8,829
Increase/(Decrease) in Accounts Payable	(126,372)
Increase/(Decrease) in Accrued Liabilities	14,653
Increase/(Decrease) in Deferred Revenue	7,752
Increase/(Decrease) in Accrued Pension Liability	(19,483)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 199,910</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES	
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, 2021**

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, 2021

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, 2021**

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, 2021**

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.

**NEW CASTLE HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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
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 ended September 30, 2018, the Authority received approximately 84 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, 2021**

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents totaled \$853,340, at June 30, 2021, 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, 2021, \$741,845 was unrestricted and \$111,495 was restricted as shown below.

Unrestricted Cash	\$ 741,845
Restricted Cash:	
Tenant Security Deposits	55,628
Housing Assistance Payments	16,210
CARES Act Funding	36,060
Other Restricted Cash	3,597
Total Restricted Cash	<u>111,495</u>
Total Cash	<u>\$ 853,340</u>

Note 4 - Accounts Receivable

At June 30, 2021, accounts receivable totaled \$12,826, and consisted of the following:

Accounts Receivable	Amount
Tenant Accts. Receivable	\$ 5,942
Allowance for Doubtful Accounts	-
Accounts Receivable HUD	408
Accts. Rec. Fruad Recovery	22,800
Allowance for Doubtful Accounts	<u>(16,324)</u>
Total Accounts Receivable	<u>\$ 12,826</u>

The Authority reviews the accounts receivable periodically. During the year \$8,354 was charged to bad debts.

Note 5 - Prepaid Assets

Prepaid assets totaled \$66,319, at June 30, 2021, and consisted of various prepaid expenses and deposits.

**NEW CASTLE HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6 - Material Inventories - Net

Material inventories net totaled \$25,440, at June 30, 2021. Material inventories are stated at the lower of cost or market. Inventory at year end totaled \$26,779, with an allowance of (\$1,339).

Note 7 - Land, Structures and Equipment

Capital assets totaled \$2,858,458 at June 30, 2021, as shown in the table below:

Capital Assets	06/30/20	Additions / Deletions	06/30/21
Land	\$ 917,432	\$	\$ 917,432
Buildings and Improvements	8,034,848	220,805	8,255,653
Equipment and Furniture	250,659	13,118	263,777
Construction in Progress	-	23,420	23,420
Less Accum. Depreciation	(6,438,353)	(163,471)	(6,601,824)
Total Capital Assets	\$ 2,764,586	\$ 93,872	\$ 2,858,458

Capital additions totaled \$294,546, construction in progress totaled \$23,420 and there were dispositions of \$60,623 that were fully depreciated. Depreciation expense for the year totaled \$224,094.

Note 8 - Deferred Outflow of Resources

Deferred outflow of resources totaled \$39,792, at June 30, 2021, 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 \$73,110, at June 30, 2021, which consisted of the following:

Accounts Payable	Amount
Vendors	\$ 6,743
Security Deposits	55,628
Other Payables	10,739
Total Accounts Payable	\$ 73,110

NEW CASTLE HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 10 - Accrued Payables

Accrued liabilities totaled \$21,033, at June 30, 2021, of which consisted of the following:

Accrued Wages	\$	1,882
Compensated Absences		6,531
Other Accrued Payables		<u>12,620</u>
Total Current Accrued Liabilities		21,033

Note 11 - Deferred Revenue

Deferred revenue totaled \$39,657, which consisted of prepaid rents and advanced CARES Act funding.

Note 12 - Accrued Pension Expense

Accrued pension expense liability totaled \$129,575, 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 \$35,716, at June 30, 2021, 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.

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.

**NEW CASTLE HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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.

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, 2017; however, eligible members received a one-time check in September of 2016. The PERF Hybrid Plan also provides disability and survivor benefits.

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 2016, 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 2021 was \$34,531. 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.

**NEW CASTLE HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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.

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, 2021. Management has performed their analysis through September 9, 2022, 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, 2021

EXHIBIT D

	Low Rent Program	Housing Choice Vouchers	Eliminations	2021 TOTAL
ASSETS				
Cash and Cash Equivalents (Unrestricted)	\$ 446,008	\$ 295,837	\$	\$ 741,845
Cash and Cash Equivalents (Restricted)	59,225	52,270		111,495
Accounts Receivable (net allowances)	10,981	6,884	(5,039)	12,826
Prepaid, Deposits and Escrows	61,838	4,481		66,319
Inventory (net allowances)	25,440			25,440
TOTAL CURRENT ASSETS	<u>603,492</u>	<u>359,472</u>	<u>(5,039)</u>	<u>957,925</u>
Capital Assets, Net	2,822,031	36,427		2,858,458
TOTAL NON-CURRENT ASSETS	<u>2,822,031</u>	<u>36,427</u>	<u>-</u>	<u>2,858,458</u>
Deferred Pension Resources	28,850	10,942		39,792
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>28,850</u>	<u>10,942</u>	<u>-</u>	<u>39,792</u>
TOTAL ASSETS	<u>\$ 3,454,373</u>	<u>\$ 406,841</u>	<u>\$ (5,039)</u>	<u>\$ 3,856,175</u>
LIABILITIES AND NET POSITION				
Accounts Payable	\$ 71,572	\$ 6,577	\$ (5,039)	\$ 73,110
Accrued Liabilities	19,384	1,649		21,033
Deferred Revenue	3,597	36,060		39,657
TOTAL CURRENT LIABILITIES	<u>94,553</u>	<u>44,286</u>	<u>(5,039)</u>	<u>133,800</u>
Accrued Liabilities - Non Current	93,944	35,631		129,575
TOTAL NON-CURRENT LIABILITIES	<u>93,944</u>	<u>35,631</u>	<u>-</u>	<u>129,575</u>
TOTAL LIABILITIES	<u>188,497</u>	<u>79,917</u>	<u>(5,039)</u>	<u>263,375</u>
Deferred Pension Resources	25,895	9,821		35,716
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>25,895</u>	<u>9,821</u>	<u>-</u>	<u>35,716</u>
Invested in Capital Assets	2,822,031	36,427	-	2,858,458
Unrestricted Net Position	417,950	264,466	-	682,416
Restricted Net Position	-	16,210		16,210
TOTAL NET POSITION	<u>3,239,981</u>	<u>317,103</u>	<u>-</u>	<u>3,557,084</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,454,373</u>	<u>\$ 406,841</u>	<u>\$ (5,039)</u>	<u>\$ 3,856,175</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, 2021**

EXHIBIT E

	Low Rent Program	Housing Choice Vouchers	Eliminations	2021 TOTAL
OPERATING REVENUES				
Net Tenant Rental Revenue	\$ 490,879	\$	\$	\$ 490,879
HUD Operating Grants	422,843	1,447,466		1,870,309
Other Income	9,049	15,943		24,992
TOTAL OPERATING REVENUES	<u>922,771</u>	<u>1,463,409</u>	-	<u>2,386,180</u>
OPERATING EXPENSES				
Administrative Expenses	192,996	139,362		332,358
Tenant Services	2,697	1,877		4,574
Utilities Expense	173,208			173,208
Ordinary Maintenance and Materials	295,894			295,894
Insurance Expense	57,819	2,964		60,783
General Expenses	30,443	8,138		38,581
Housing Assistance Payments		1,266,889		1,266,889
Depreciation Expense	223,694	400		224,094
TOTAL OPERATING EXPENSES	<u>976,751</u>	<u>1,419,630</u>	-	<u>2,396,381</u>
OPERATING INCOME (LOSS)	<u>(53,980)</u>	<u>43,779</u>	-	<u>(10,201)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	1,897	37		1,934
INCOME BEFORE OTHER REVENUES (EXPENSES)	<u>1,897</u>	<u>37</u>	-	<u>1,934</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	224,013			224,013
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>224,013</u>	-	-	<u>224,013</u>
CHANGE IN NET POSITION	171,930	43,816	-	215,746
NET POSITION AT BEGINNING OF PERIOD	3,068,052	273,286		3,341,338
NET POSITION AT END OF PERIOD	<u>\$ 3,239,982</u>	<u>\$ 317,102</u>	<u>\$ -</u>	<u>\$ 3,557,084</u>

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: 06/30/2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$446,008		\$295,837		\$741,845		\$741,845
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			\$16,210	\$36,060	\$52,270		\$52,270
114 Cash - Tenant Security Deposits	\$55,628				\$55,628		\$55,628
115 Cash - Restricted for Payment of Current Liabilities	\$3,597				\$3,597		\$3,597
100 Total Cash	\$505,233	\$0	\$312,047	\$36,060	\$853,340	\$0	\$853,340
121 Accounts Receivable - PHA Projects			\$408		\$408		\$408
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	\$5,942				\$5,942		\$5,942
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0		\$0		\$0
126.2 Allowance for Doubtful Accounts - Other			\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery			\$22,800		\$22,800		\$22,800
128.1 Allowance for Doubtful Accounts - Fraud			-\$16,324		-\$16,324		-\$16,324
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,942	\$0	\$6,884	\$0	\$12,826	\$0	\$12,826
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$61,838		\$4,481		\$66,319		\$66,319
143 Inventories	\$26,779				\$26,779		\$26,779
143.1 Allowance for Obsolete Inventories	-\$1,339				-\$1,339		-\$1,339
144 Inter Program Due From	\$5,039				\$5,039	-\$5,039	\$0
145 Assets Held for Sale							
150 Total Current Assets	\$603,492	\$0	\$323,412	\$36,060	\$962,964	-\$5,039	\$957,925
161 Land	\$917,432				\$917,432		\$917,432
162 Buildings	\$8,255,653				\$8,255,653		\$8,255,653
163 Furniture, Equipment & Machinery - Dwellings	\$54,352				\$54,352		\$54,352
164 Furniture, Equipment & Machinery - Administration	\$186,108		\$23,317		\$209,425		\$209,425
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$6,591,514		-\$10,310		-\$6,601,824		-\$6,601,824
167 Construction in Progress			\$23,420		\$23,420		\$23,420
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,822,031	\$0	\$36,427	\$0	\$2,858,458	\$0	\$2,858,458
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	\$2,822,031	\$0	\$36,427	\$0	\$2,858,458	\$0	\$2,858,458
200 Deferred Outflow of Resources	\$28,850		\$10,942		\$39,792		\$39,792
290 Total Assets and Deferred Outflow of Resources	\$3,454,373	\$0	\$370,781	\$36,060	\$3,861,214	-\$5,039	\$3,856,175
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$5,601		\$1,142		\$6,743		\$6,743
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$1,882				\$1,882		\$1,882
322 Accrued Compensated Absences - Current Portion	\$4,882		\$1,649		\$6,531		\$6,531
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	\$10,343				\$10,343		\$10,343
341 Tenant Security Deposits	\$55,628				\$55,628		\$55,628
342 Unearned Revenue	\$3,597		\$0	\$36,060	\$39,657		\$39,657
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities			\$396		\$396		\$396

New Castle Housing Authority (IN050)

New Castle, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
346 Accrued Liabilities - Other	\$12,620				\$12,620		\$12,620
347 Inter Program - Due To			\$5,039		\$5,039	-\$5,039	\$0
348 Loan Liability - Current							
310 Total Current Liabilities	\$94,553	\$0	\$8,226	\$36,060	\$138,839	-\$5,039	\$133,800
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	\$93,944		\$35,631		\$129,575		\$129,575
350 Total Non-Current Liabilities	\$93,944	\$0	\$35,631	\$0	\$129,575	\$0	\$129,575
300 Total Liabilities	\$188,497	\$0	\$43,857	\$36,060	\$268,414	-\$5,039	\$263,375
400 Deferred Inflow of Resources	\$25,895		\$9,821		\$35,716		\$35,716
508.4 Net Investment in Capital Assets	\$2,822,031		\$36,427	\$0	\$2,858,458		\$2,858,458
511.4 Restricted Net Position	\$0		\$16,210	\$0	\$16,210		\$16,210
512.4 Unrestricted Net Position	\$417,950	\$0	\$264,466	\$0	\$682,416		\$682,416
513 Total Equity - Net Assets / Position	\$3,239,981	\$0	\$317,103	\$0	\$3,557,084	\$0	\$3,557,084
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,454,373	\$0	\$370,781	\$36,060	\$3,861,214	-\$5,039	\$3,856,175

New Castle Housing Authority (IN050)

New Castle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$460,802				\$460,802		\$460,802
70400 Tenant Revenue - Other	\$30,077				\$30,077		\$30,077
70500 Total Tenant Revenue	\$490,879	\$0	\$0	\$0	\$490,879	\$0	\$490,879
70600 HUD PHA Operating Grants	\$381,277	\$41,566	\$1,415,551	\$31,915	\$1,870,309		\$1,870,309
70610 Capital Grants	\$224,013				\$224,013		\$224,013
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	\$1,897		\$37		\$1,934		\$1,934
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery			\$3,570		\$3,570		\$3,570
71500 Other Revenue	\$9,049		\$12,374		\$21,423	-\$6,600	\$14,823
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	\$1,107,115	\$41,566	\$1,431,532	\$31,915	\$2,612,128	-\$6,600	\$2,605,528
91100 Administrative Salaries	\$129,742		\$63,351		\$193,093		\$193,093
91200 Auditing Fees	\$2,981		\$2,831		\$5,812		\$5,812
91300 Management Fee							
91310 Book-keeping Fee							
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative	\$16,602		\$35,410		\$52,012		\$52,012
91600 Office Expenses	\$17,214		\$22,139	\$400	\$39,753		\$39,753
91700 Legal Expense							
91800 Travel							
91810 Allocated Overhead							
91900 Other	\$26,458		\$15,231		\$41,689		\$41,689
91000 Total Operating - Administrative	\$192,997	\$0	\$138,962	\$400	\$332,359	\$0	\$332,359
92000 Asset Management Fee							
92100 Tenant Services - Salaries							
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services							
92400 Tenant Services - Other	\$937	\$1,760		\$1,877	\$4,574		\$4,574
92500 Total Tenant Services	\$937	\$1,760	\$0	\$1,877	\$4,574	\$0	\$4,574
93100 Water	\$3,420				\$3,420		\$3,420
93200 Electricity	\$138,186				\$138,186		\$138,186
93300 Gas	\$5,480				\$5,480		\$5,480
93400 Fuel							
93500 Labor							
93600 Sewer	\$23,101				\$23,101		\$23,101
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense	\$3,021				\$3,021		\$3,021
93000 Total Utilities	\$173,208	\$0	\$0	\$0	\$173,208	\$0	\$173,208
94100 Ordinary Maintenance and Operations - Labor	\$98,249				\$98,249		\$98,249
94200 Ordinary Maintenance and Operations - Materials and Other	\$84,602				\$84,602		\$84,602
94300 Ordinary Maintenance and Operations Contracts	\$96,154				\$96,154		\$96,154
94500 Employee Benefit Contributions - Ordinary Maintenance	\$16,889				\$16,889		\$16,889
94000 Total Maintenance	\$295,894	\$0	\$0	\$0	\$295,894	\$0	\$295,894
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	\$0	\$0
96110 Property Insurance	\$47,117				\$47,117		\$47,117
96120 Liability Insurance	\$4,738				\$4,738		\$4,738
96130 Workmen's Compensation	\$2,584		\$844		\$3,428		\$3,428
96140 All Other Insurance	\$3,380		\$2,120		\$5,500		\$5,500
96100 Total Insurance Premiums	\$57,819	\$0	\$2,964	\$0	\$60,783	\$0	\$60,783
96200 Other General Expenses	\$2,259		\$528		\$2,787		\$2,787
96210 Compensated Absences	\$12,799		\$4,298		\$17,097		\$17,097
96300 Payments in Lieu of Taxes	\$10,343				\$10,343		\$10,343

New Castle Housing Authority (IN050)

New Castle, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
96400 Bad debt - Tenant Rents	\$5,042		\$3,312		\$8,354		\$8,354
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$30,443	\$0	\$8,138	\$0	\$38,581	\$0	\$38,581
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	\$0	\$0
96900 Total Operating Expenses	\$751,298	\$1,760	\$150,064	\$2,277	\$905,399	\$0	\$905,399
97000 Excess of Operating Revenue over Operating Expenses	\$355,817	\$39,806	\$1,281,468	\$29,638	\$1,706,729	-\$6,600	\$1,700,129
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			\$1,255,424		\$1,255,424		\$1,255,424
97350 HAP Portability			\$11,465		\$11,465		\$11,465
97400 Depreciation Expense	\$223,694		\$400		\$224,094		\$224,094
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$974,992	\$1,760	\$1,417,353	\$2,277	\$2,396,382	\$0	\$2,396,382
10010 Operating Transfer In	\$123,236				\$123,236	-\$123,236	\$0
10020 Operating transfer Out	-\$83,430	-\$39,806			-\$123,236	\$123,236	\$0
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	\$39,806	-\$39,806	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$171,929	\$0	\$14,179	\$29,638	\$215,746	-\$6,600	\$209,146
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$3,068,052	\$0	\$273,286	\$0	\$3,341,338		\$3,341,338
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$29,638	-\$29,638	\$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			\$300,893		\$300,893		\$300,893
11180 Housing Assistance Payments Equity			\$16,210		\$16,210		\$16,210
11190 Unit Months Available	1872		3672	0	5544		5544
1210 Number of Unit Months Leased	1863		3504	0	5367		5367
11270 Excess Cash	\$359,053				\$359,053		\$359,053
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$224,013				\$224,013		\$224,013
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$57,127				\$57,127		\$57,127
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, 2021

EXHIBIT F

FEDERAL GRANTOR	CFDA #	FEDERAL AWARDS EXPENDED	TOTAL PROGRAM EXPENDITURES
Major Federal Programs - U S Department of Housing and Urban Development			
<u>Housing Choice Voucher Cluster</u>			
Housing Choice Voucher	14.871	\$ 1,415,551	\$ 1,417,353
Total Major Federal Program		1,415,551	1,417,353
Non-Major Federal Programs - U S Department of Housing and Urban Development			
Public and Indian Housing	14.850	\$ 297,847	\$ 627,742
Public Housing Capital Fund	14.872	307,443	307,443
Public Housing CARES Act	14.PHC	41,566	41,566
HCV CARES Act	14.HCC	31,915	2,277
Total Non-Major Federal Program		678,771	979,028
Total All Programs		\$ 2,094,322	\$ 2,396,381

**NEW CASTLE HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021. 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, 2021, 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, 2021.

Note 4 - Loans Outstanding

There were no federal loans outstanding for the year ended June 30, 2021.

Note 5 - Non-Cash Assistance

The Authority provided no non-cash assistance for the year ended June 30, 2021.

Note 6 - Insurance

The Authority had no federal insurance for the year ended June 30, 2021.

NEW CASTLE HOUSING AUTHORITY
 STATEMENT OF CAPITAL FUND PROGRAM COST UNCOMPLETED
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT G

PHASES IN36P050 - 501-19 AND 501-20

	501-19	501-20	Total
Funds Approved	\$ 279,939	\$ 269,657	\$ 549,596
Funds Expended	<u>279,939</u>	<u>269,657</u>	<u>549,596</u>
Excess\ (Deficit) of Funds Approved	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Funds Advanced	\$ 279,939	\$ 269,657	\$ 549,596
Funds Expended	<u>279,939</u>	<u>269,657</u>	<u>549,596</u>
Excess\ (Deficit) of Funds Advanced	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

- 1) Capital Fund Program costs for Phases IN36P050 - 501-19, and 501-20 are shown above.
- 2) Cost additions during this fiscal year, totaled \$307,443, and were audited by VB&C.

**NEW CASTLE HOUSING AUTHORITY
STATEMENT OF CAPITAL FUND PROGRAM COST COMPLETED
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT H

No completed CFP Programs were closed in FYE June 30, 2021.

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 the financial statements of the business activities of the New Castle Housing Authority (Authority) as of and for the year ended June 30, 2021, which collectively comprised the Authority's basic financial statements, and have issued an unmodified report thereon dated September 9, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

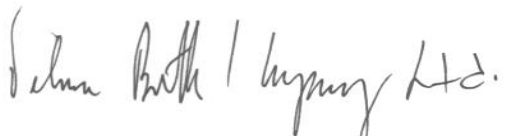
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Velma Butler & Company, Ltd." The signature is written in dark ink and is positioned above the printed name of the firm.

Velma Butler & Company, Ltd.
Chicago, Illinois

September 9, 2022

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

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 each of the Authority's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal controls over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

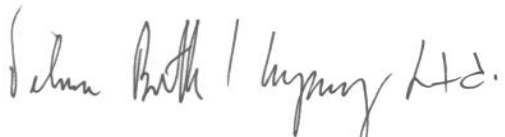
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 the internal controls over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2021, and have issued our report thereon dated September 9, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted 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 purpose 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Velma Butler / Company Ltd." The signature is written in dark ink and is positioned above the printed name of the company.

Velma Butler & Company, Ltd.
Chicago, Illinois

September 9, 2022

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

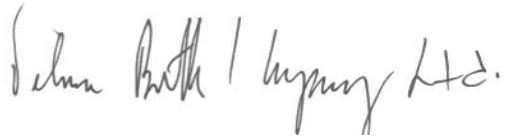
We have performed the procedure described in the second paragraph of this report, which was agreed to by the New Castle Housing Authority (Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic 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, 2021, and have issued our report thereon dated September 9, 2022, 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 September 9, 2022, 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

September 9, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COST

**NEW CASTLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CURRENT YEAR
FOR THE YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings

There were no reportable findings for the fiscal year ended June 30, 2021.

Section III - Federal Award Findings and Questioned Costs

There were no reportable findings for the fiscal year ended June 30, 2021.

**NEW CASTLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - PRIOR YEAR
FOR THE YEAR ENDED JUNE 30, 2021**

Section IV - Financial Statement Findings

There were no reportable findings for the fiscal year ended June 30, 2020.

Section V - Federal Award Findings and Questioned Costs

There were no reportable findings for the fiscal year ended June 30, 2020.