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September 12, 2017

Board of Commissioners
Noblesville Housing Authority
320 Kings Lane
Noblesville, IN 46060

We have reviewed the audit report prepared by Goldie Roberts, CPA, Independent Public Accountant, for the period January 1, 2015 to December 31, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of the Noblesville Housing Authority, as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

NOBLESVILLE HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

Noblesville, Indiana

December 31, 2015

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120
812-472-3527

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Decatur, GA 30033
404-297-9881

NOBLESVILLE
HOUSING AUTHORITY

Noblesville, Indiana
DECEMBER 31, 2015

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Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Noblesville Housing Authority
320 Kings Lane
Noblesville, Indiana 46060-2423

Report on the Financial Statements

I have audited the accompanying financial statements of the Noblesville Housing Authority ("the Authority") which comprise the Statement of Net Position as of December 31, 2015, and the related Statements of Revenues, Expenses and Changes in Fund Net Position, and Cash Flows for the year then ended, and the related Notes to the Financial Statements, which collectively comprise the Noblesville Housing Authority's 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 assessments, the auditor considers internal control relevant to the Authority'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 Authority's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Noblesville Housing Authority as of December 31, 2015, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 i through v and Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of the Authority's Contributions on pages 18 through 19 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The accompanying Financial Data Schedule, Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

In regard to, the Financial Data Schedule, Schedule of Expenditures of Federal Awards, and the other supplemental information as listed in the table of contents, 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. Such 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 my opinion, the Financial Data Schedule, Schedule of Expenditures of Federal Awards, and the other supplemental information as listed in the table of contents 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*, I have also issued my report dated May 17, 2016 on my consideration of the Noblesville Housing Authority's internal control over financial reporting and on my 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 my 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 Noblesville Housing Authority's internal control over financial reporting and compliance.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
May 17, 2016

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

Introduction

This Management Discussion and Analysis (MD&A) of the Noblesville Housing Authority (Authority) provides an introduction and overview of the financial statements of the Authority for the fiscal year ended December 31, 2015. The Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2015, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's Financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's basic financial statements and related notes to the financial statements.

The Authority has several individual programs. These programs are listed as follows:

- ❖ The Housing Choice Voucher (HCV) Program provides rental assistance to aid low income families afford, decent, safe and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment (HAP) to a landlord on behalf of the tenant. The Authority currently has a total of 185 baseline ACC units in addition to 45 port-in and 3 port-out units under HCV portability rules as of 12/31/2015. Funds are provided by the US Department of Housing & Urban Development (HUD) to provide HAP for participating families and administrative fee to the Authority for administrative cost of the program.
- ❖ Under an administrative contract the Authority administers a Community Development Block Grant (CDBG) Entitlement to and for Hamilton County, Indiana. Starting with FY 2010, Hamilton County became the responsible entity for financial accounting and annual audit. The CDBG Program does reimburse NHA for expenses related to the administration of the program. Funding is divided into four strategies: improve the quality of housing stock through rehabilitation and repair of owner occupied units; provide critical infrastructure improvements in six Cities and Towns; provide public service activities through-out the County to benefit low-moderate income persons; and to fund administrative cost including fair housing activities.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's basic financial statements. The basic financial statements are comprised of three individual statements. These statements include:

- ❖ The Statement of Net Position
- ❖ The Statement of Revenue, Expenses and Changes in Fund Net Position
- ❖ The Statement of Cash Flows

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(Continued)

The Statement of Net Position presents information on the assets and liabilities, with the differences between the two being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- ❖ Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets
- ❖ Restricted consists of position that are restricted by limitations placed on these assets by an external source or party.
- ❖ Unrestricted consists of position that do not meet the definition of the above categories. Unrestricted net position is basically the amount of funds available for future year appropriations.

The Statement of Revenues, Expenses and Changes in Fund Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2015 to determine the change in net position for the fiscal year.

The Statement of Cash Flows report cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2015.

Financial Highlights

- ❖ The Authority's total net position decreased from the December 31, 2014 balance of \$273,848 to the December 31, 2015 balance of \$132,263 an decrease of \$141,585 mainly due to the inclusion of noncurrent pension liability.
- ❖ The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$132,263 (net position).
- ❖ The Authority had HUD operating grants of \$1,049,334, other operating income of \$314,997 and investment income of \$924 for the year ended December 31, 2015.

Housing Authority Activities and Highlights

The Noblesville Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2015 and December 31, 2014.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(Continued)

Summary Statement of Net Position

December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>NET CHANGE</u>
ASSETS			
<u>Current Assets</u>			
Cash – Unrestricted	\$ 29,624	\$ 61,381	\$ (31,757)
Cash – Restricted	136,255	161,065	(24,810)
Accounts Receivable	88,824	57,449	31,375
Prepaid expenses	<u>584</u>	<u>652</u>	<u>(68)</u>
Total current assets	<u>255,287</u>	<u>280,547</u>	<u>(25,260)</u>
<u>Capital Assets</u>			
Land & other non-depreciable assets	0	0	0
Depreciable capital assets, net	<u>4,479</u>	<u>1,118</u>	<u>3,361</u>
Total capital assets	<u>4,479</u>	<u>1,118</u>	<u>3,361</u>
TOTAL ASSETS	<u>259,766</u>	<u>281,665</u>	<u>(21,899)</u>
<u>Deferred outflow of resources</u>			
Pension related	<u>56,055</u>	<u>0</u>	<u>56,055</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 315,821</u>	<u>\$ 281,665</u>	<u>\$ 34,156</u>
LIABILITIES & NET POSITION			
<u>Current Liabilities</u>			
Accounts payable	\$ 691	\$ 1,190	\$ (499)
Accrued liabilities	<u>6,913</u>	<u>6,627</u>	<u>286</u>
Total current liabilities	<u>7,604</u>	<u>7,817</u>	<u>(213)</u>
<u>Noncurrent Liabilities</u>			
Net Pension Liability	145,810	0	145,810
Accrued compensated absences	<u>954</u>	<u>0</u>	<u>954</u>
Total noncurrent liabilities	<u>146,764</u>	<u>280,547</u>	<u>146,764</u>
Total liabilities	<u>\$ 154,368</u>	<u>\$ 7,817</u>	<u>\$ 146,551</u>
<u>Deferred inflow of resources</u>			
Pension related	<u>29,190</u>	<u>0</u>	<u>29,190</u>

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(Continued)

Net Position

Investment in Capital Asset	\$ 4,479	\$ 1,118	\$ 3,361
Restricted	136,255	161,065	(24,810)
Unrestricted	<u>(8,471)</u>	<u>111,665</u>	<u>(120,136)</u>
TOTAL NET POSITION	<u>\$ 132,263</u>	<u>\$ 273,848</u>	<u>\$ (141,585)</u>

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

Discussion of change in Net Position:

- * Cash decrease mainly due to an increase in accounts receivable due from the CDBG program and HUD held HCV operating reserve.
- * Accounts Receivable represents the amount due from the CDBG program which is reimbursed monthly to the Authority.
- * Noncurrent Liabilities increased due to a change in accounting principal to include pension liability.

**Statement of Revenues, Expenses and
Changes in Fund Net Position for the Year ending 12/31/2015:**

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>NET CHANGE</u>
<u>OPERATING REVENUES</u>			
Other Income	\$ 314,997	\$ 354,405	\$ (39,408)
TOTAL OPERATING REVENUE	<u>314,997</u>	<u>354,405</u>	<u>(39,408)</u>
<u>OPERATING EXPENSES</u>			
Administrative	131,599	105,498	26,101
General Expenses	4,080	6,069	1,989
Housing Assistance Payments	1,278,270	1,276,496	1,774
Depreciation Expense	<u>924</u>	<u>515</u>	<u>409</u>
TOTAL OPERATING EXPENSES	<u>1,414,873</u>	<u>1,388,578</u>	<u>26,295</u>
Operating Income (Loss)	<u>(1,099,876)</u>	<u>(1,034,173)</u>	<u>(65,703)</u>
<u>NONOPERATING REVENUES</u>			
Federal operating grants	1,049,334	1,037,513	11,821
Interest income	<u>409</u>	<u>487</u>	<u>78</u>
TOTAL NONOPERATING REVENUES	<u>1,049,743</u>	<u>1,038,000</u>	<u>11,743</u>

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

(Continued)

CHANGE IN NET ASSETS	<u>(50,133)</u>	<u>3,827</u>	<u>(53,960)</u>
NET POSITION – BEGINNING OF YEAR	<u>273,848</u>	<u>270,021</u>	<u>3,827</u>
Change in accounting principle	(91,452)	0	(91,452)
TOTAL NET POSITION – BEGINNING OF YEAR, as restated	<u>182,396</u>	<u>270,021</u>	<u>(87,625)</u>
NET POSITION – END OF YEAR	<u>\$ 132,263</u>	<u>\$ 273,848</u>	<u>\$ (141,585)</u>

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

Discussion of Changes in Revenues & Expenses:

* HUD Operating Grants increased approximately 1.13% and operating expenses increased 1.89% from the previous year.

* Housing Assistance Payments increased approximately 0.14% from the previous year.

Capital Assets

There were no significant changes in the Authorities capital assets.

Debt Administration

The Authority has no debt.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Noblesville Housing Authority
Attn: Troy Halsell, Executive Director
320 Kings Lane
Noblesville, IN 46060-2423

FINANCIAL STATEMENTS

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

STATEMENT OF NET POSITION
DECEMBER 31, 2015

ASSETS

Current Assets

Cash and cash equivalents	\$ 29,624
Restricted cash and cash equivalents	136,255
Accounts receivable, net	88,824
Prepaid insurance	584
Total Current Assets	255,287

Capital Assets:

Land and other non-depreciable assets	0
Depreciable capital assets, net	4,479
Total Capital Assets	4,479

Total Assets **259,766**

Deferred outflow of resources

Pension related	56,055
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Total Assets and Deferred Outflow of Resources **315,821**

LIABILITIES

Current liabilities

Accounts payable	691
Accrued liabilities	6,913
Total Current Liabilities	7,604

Noncurrent Liabilities

Net Pension Liability	145,810
Accrued compensated absences	954
Total Noncurrent Liabilities	146,764

Total Liabilities **154,368**

Deferred inflow of resources

Pension related	29,190
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NET POSITION

Investment in capital assets	4,479
Restricted	136,255
Unrestricted	(8,471)
Total Net Position	\$ 132,263

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

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>OPERATING REVENUES</u>	
Other income	\$ <u>314,997</u>
TOTAL OPERATING REVENUE	<u>314,997</u>
 <u>OPERATING EXPENSES</u>	
Administrative	131,599
General expense	4,080
Housing assistance payments	1,278,270
Depreciation expense	<u>924</u>
TOTAL OPERATING EXPENSES	<u>1,414,873</u>
OPERATING INCOME (LOSS)	<u>(1,099,876)</u>
 <u>NONOPERATING REVENUES</u>	
Federal operating grants	1,049,334
Interest income	<u>409</u>
TOTAL NONOPERATING REVENUES	<u>1,049,743</u>
CHANGE IN NET ASSETS	<u>(50,133)</u>
NET POSITION - BEGINNING OF YEAR, as originally stated	<u>273,848</u>
Change in accounting principle	(91,452)
TOTAL NET POSITION - BEGINNING OF YEAR, as restated	<u>182,396</u>
NET POSITION - END OF YEAR	<u>\$ <u>132,263</u></u>

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

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and other deposits	\$	314,997
Payments to vendors		(29,133)
Payments to landlords		(1,278,270)
Payments to employees		(109,619)
Net Cash Used by Operating Activities		<u><u>(1,102,025)</u></u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received		1,049,334
Net Cash Flows Provided (Used) by Noncapital Financing Activities		<u><u>1,049,334</u></u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets		(4,285)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities		<u><u>(4,285)</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		409
Net Cash Provided (Used) from Investing Activities		<u><u>409</u></u>

Net Increase (Decrease) in Cash and Cash Equivalents		(56,567)
Cash - Beginning of year		<u>222,446</u>
Cash - End of year	\$	<u><u>165,879</u></u>

Reconciliation of Cash		
Unrestricted	\$	29,624
Restricted		<u>136,255</u>
Total Cash and Cash Equivalents	\$	<u><u>165,879</u></u>

Continued

NOBLESVILLE HOUSING AUTHORITY
NOBLESVILLE, INDIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

RECONCILIATION OF OPERATING (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES

Operating income (loss)	\$ (1,099,876)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:	
Depreciation	924
Changes in operating assets and liabilities:	
(Increase) Decrease in:	
Accounts receivable	(31,375)
Prepaid expenses	68
Increase (Decrease) in:	
Accounts payable	455
Accrued liabilities	286
Pension related	27,493
Net Cash Flows Provided (Used) by Operating Activities	\$ <u>(1,102,025)</u>

The accompanying notes are an integral part of these financial statements

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE A - Summary of Significant Accounting Policies:

The financial statements of the NOBLESVILLE HOUSING AUTHORITY ("the Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The NOBLESVILLE HOUSING AUTHORITY is a political subdivision both corporate and politic which was established under the provision of Indiana Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Authority has entered into annual contributions contracts (ACC) with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of the Housing Choice Voucher program formally referred to as the Section 8 program (Contract No. C-2056) and the Community Development Block Grant Entitlement to Hamilton County, Indiana (Contract No. C-2066).

Reporting Entity

The entity is a public corporation, legally separate, fiscally independent, and governed by the Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of the Noblesville Housing Authority, a primary government.

The financial statements of the Noblesville Housing Authority include the following:

The Authority had 185 Housing Choice Voucher units under ACC with 3 port-outs and 42 port-ins for a total of 227 in management at December 31, 2015.

Basis of Presentation and Accounting: In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged only in business type activities.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflow of resources, liabilities, and deferred inflow of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in net position. Under the Accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

This special purpose government engaged in activities similar to business activities uses an enterprise fund to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following net position categories:

Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The Authority has no debt.

Restricted: Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

Budgets - Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis.

Budget compared to actual presentation has been omitted because the Authority does not annually adopt a legally authorized budget. The Authority's budget is adopted by the Authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a non-appropriated budget authorized by constitution. The Authority's budget represents budgetary execution and management by its board and HUD; therefore, budgetary data and presentation is not required.

Cash and Cash Equivalents - Deposits consist of Checking and Savings accounts and are stated at fair value. Deposits are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority. Certificates of deposit that are redeemable immediately with little or no penalty are considered cash equivalents.

For the purposes of the Statement of Cash Flows, the Authority considers all highly liquid deposits (including restricted assets) with a maturity of three months or less when purchased and non negotiable Certificates of Deposits to be cash equivalents. There were no noncash investing, non capital, capital and financing activities during the year.

Interprogram Due From and Due To - During the course of its operations, the Authority has interprogram transactions to finance operations and provide services. Interprogram accounts receivable and payable have been recorded to recognize transactions between funds for which the applicable cash transfer had not been made as of the balance sheet date.

Tenant Receivables - Receivables (if any) for charges are reported at net of an allowance for doubtful accounts. The Authority board takes monthly action as required to write off specific uncollectible accounts receivable balances.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Prepaid - Prepaid represent payments made to vendors for services that will benefit beyond December 31, 2015.

Capital Assets - Capital assets purchased are capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs. The Authority's policy is to capitalize assets costing \$250 or more.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Office equipment	5-10 years

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.

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

Operating Revenues and Expenses - Operating revenues and expenses generally result from providing and producing goods and/or services in connection with providing low income housing programs. 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 nonoperating revenues and expenses.

Restricted Assets - When both restricted and unrestricted resources are available for use, it is the Authority's policy to use unrestricted resources first, and then restricted resources as they are allowed.

NOTE B - Deposits, Cash and Cash Equivalents, and Investments:

1. HUD Deposit Restrictions

HUD requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE B - Deposits, Cash and Cash Equivalents, and Investments: (Continued)

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

2. Risk Disclosures

A. **Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At December 31, 2015 the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

B. **Credit Risk:** This is a risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

C. **Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

At December 31, 2015, the carrying amount of the Authority's deposits was \$165,869. The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name or by the Federal Reserve Banks acting as third party agents or by a collateralization agreement.

Deposits consist of the following:

Checking and Savings accounts	<u>\$ 165,869</u>
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Restricted cash consists of the following:

McKinney Act Refunding Agreement	<u>\$ 136,255</u>
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NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2015, consist of the following:

Accounts receivable - PHA projects	\$ 29,880
Accounts receivable - fraud recovery	5,297
Accounts receivable - Hamilton County	52,074
Accounts receivable miscellaneous	<u>1,573</u>
 Total	 <u>\$ 88,824</u>

NOTE D - Prepaid expenses:

Prepaid expenses at December 31, 2015, consist of the following:

Prepaid insurance and expenses	<u>\$ 316</u>
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NOTE E - Inventory:

Inventory at December 31, 2015, consist of the following:

Office supplies	<u>\$ 268</u>
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NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance 12/31/14	Increases	Decreases	Transfers	Ending Balance 12/31/15
Capital assets, not being depreciated:					
Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Capital Assets, Not being depreciated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Assets, being depreciated:					
Buildings & Improvements	0	0	0	0	0
Furniture, Equipment & Machinery	<u>18,816</u>	<u>4,285</u>	<u>0</u>	<u>0</u>	<u>23,101</u>
Total Capital Assets, being depreciated	<u>18,816</u>	<u>4,285</u>	<u>0</u>	<u>0</u>	<u>23,101</u>
Less Accumulated Depreciation:	<u>(17,698)</u>	<u>(924)</u>	<u>0</u>	<u>0</u>	<u>(18,622)</u>
Total Capital Assets, being depreciated, net	<u>1,118</u>	<u>3,361</u>	<u>0</u>	<u>0</u>	<u>4,479</u>
Capital Assets, Net	<u>\$ 1,118</u>	<u>\$ 3,361</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,479</u>

For the year ended December 31, 2015, depreciation expense in the amount of \$924 was recorded.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE G - Pension Plan:

Description of Pension Plan

The Noblesville Housing Authority, Indiana (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 Employees' Retirement System (INPRS). INPRS resulted from legislation passed in 2010 that merged the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF), with the merger of the funds being effective as of July 1, 2011.

INPRS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
 - State employees
 - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Indiana are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected. Those employees participating in the Pension Plan for the Housing Authority are included in the Local employees group. INPRS issues a stand-alone comprehensive annual financial report, which is available on the INPRS website at www.INPRS.org.

Benefits

Benefits are established by statute and may only be changed by the General Assembly. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Indiana Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Indiana, for all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(Continued)

NOTE G - Pension Plan: (Continued)

Contributions

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Indiana Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Indiana legislation established statutory limits on increases in contribution rates for INPRS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 0.9% of total payroll for the fiscal year ended June 30, 2015.

The actuarially determined employer contribution rates and the statutory contribution rates for local employees are 9.77% and 8.84%, respectively. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2015 are 4.00%, 5.00%, or 6.00% for local employees.

Employer Allocations

Although INPRS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, INPRS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the Housing Authority's share of the collective pension amounts as of June 30, 2015 and 2014 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2015 and 2014, respectively.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2015, the Housing Authority's proportion was 0.00134%, which was an increase of 0.00103% from its proportion measured at June 30, 2014.

Net Pension Liability

At June 30, 2014 and 2015, the Housing Authority reported a liability of \$91,452 and \$145,810, respectively, for its proportionate share of the net pension liability.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE G - Pension Plan: (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015, using the following actuarial assumptions:

Price inflation	3.00%
Wage inflation	4.00%
Salary increases, including wage increases	4.00 to 12.50%, including inflation
Long-Term rate of return, net of investment expense, and including price inflation	6.75%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, Local, KP&F and Judges).

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2009.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Long-Term Target Allocations	Long-Term Expected Real Rate of Return
Global equity	47%	6%
Fixed income	14%	0.85%
Yield driven	8%	5.50%
Real return	11%	3.75%
Real estate	11%	6.65%
Alternatives	8%	9.50%
Short-term investments	1%	0%
Total	100%	

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE G - Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected INPRS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the Housing Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Authority's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

1% Decrease (5.75%)	Discount rate (6.75%)	1% Increase (7.75%)
\$215,0821	\$145,810	\$88,301

Pension Expense

For the year ended June 30, 2015, the Housing Authority recognized pension expense of \$17,907, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE G - Pension Plan: (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$6,259	\$302
Net differences between projected and actual investment earnings on pension plan investments	\$24,585	\$13,713
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$14,579	\$0
Contributions made after plan year end	\$10,632	\$15,175
Total	\$56,055	\$29,190

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the NPL in 2106:

Amortization of net deferred outflows/(inflows) of resources - debit/(credit)	
2016	\$4,103
2017	\$4,103
2018	\$1,882
2019	\$6,145
2020	\$0
Thereafter	\$16,233

The information presented above has not been audited.

NOTE H - Accounts payable:

Accounts payable at December 31, 2015, consist of the following:

Accounts payable - Vendors \$ 691

NOTE I - Accrued Liabilities:

Accrued Liabilities at December 31, 2015, consist of the following:

Accrued Wage/Payroll Taxes Payable	\$ 2,464
Accrued Compensated absences	<u>4,449</u>
Total	\$ <u>6,913</u>

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)

NOTE J - Noncurrent Liabilities:

Noncurrent liabilities at December 31, 2015, consist of the following:

	<u>12/31/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/15</u>	<u>Due within one year</u>	<u>Total due</u>
Accrued compensated absences	\$ 0	\$ 954	\$ 0	\$ 954	\$ 4,449	\$ 5,403
Net pension liability	<u>91,452</u>	<u>54,358</u>	<u>0</u>	<u>145,810</u>	<u>0</u>	<u>145,810</u>
Total	<u>\$ 91,452</u>	<u>\$ 55,312</u>	<u>\$ 0</u>	<u>\$ 146,764</u>	<u>\$ 4,449</u>	<u>\$ 151,213</u>

NOTE K - Federal Operating Grants:

HUD contributed the following operating subsidies approved in the operating budgets under the Annual Contributions Contracts:

Housing Choice Voucher	<u>\$ 1,049,334</u>
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NOTE L - Commitments and Contingencies:

Examinations: The Authority is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no examinations during the year ended December 31, 2015.

Grant Disallowances: Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

NOTE M - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

NOTE N - Economic Dependency:

The Authority receives approximately 77% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

REQUIRED SUPPLEMENTAL INFORMATION

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

Schedule of the Authority's Proportionate Share of the Net Pension Liability

INPRS Pension Plan
Last Ten Fiscal Years*

	<u>2014</u>	<u>2015</u>
Noblesville Housing Authority's proportion of the net pension liability	.0000348	.0000358
Noblesville Housing Authority's proportionate share of the net pension liability	\$ 91,452	\$145,810
Noblesville Housing Authority's covered employee payroll	\$169,804	\$171,520
Noblesville Housing Authority's proportionate share of the net pension liability as a percentage of it's covered employee payroll	54%	85%

Note: Additional years information will be presented when available.

* The amounts for each fiscal year were determined as of 6/30/

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

SCHEDULE OF THE NOBLESVILLE HOUSING AUTHORITY'S CONTRIBUTIONS

INPRS Pension Plan
Last Ten Fiscal Years*

	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 17,787	\$ 19,210
Contributions in relation to the contractually required contribution	<u>17,787</u>	<u>19,210</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Noblesville Housing Authority's covered employee payroll	\$ 169,804	\$ 171,520
Contributions as a percentage of covered employee payroll	10%	11%

Note: Additional years information will be presented when available.

* The amounts for each fiscal year were determined as of 6/30/

SUPPLEMENTAL FINANCIAL INFORMATION

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION
DECEMBER 31, 2015

	ACC		State /		Total
	C - 2056		Local		
	Section 8				
	Housing				
	Choice				
	Vouchers				
<u>ASSETS</u>					
<u>Current Assets</u>					
Cash and cash equivalents	\$ 13,815		\$ 15,809		\$ 29,624
Restricted cash and cash equivalents	0		136,255		136,255
Accounts receivable, net	36,750		52,074		88,824
Prepaid insurance	584		0		584
Total Current Assets	51,149		204,138		255,287
<u>Capital Assets:</u>					
Land and other non-depreciable assets	0		0		0
Depreciable capital assets, net	4,479		0		4,479
Total Capital Assets	4,479		0		4,479
Total Assets	55,628		204,138		259,766
<u>Deferred outflow of resources</u>					
Pension related	56,055		0		56,055
Total Assets and Deferred Outflow of Resources	111,683		204,138		315,821
<u>LIABILITIES</u>					
<u>Current liabilities</u>					
Accounts payable	691		0		691
Accrued liabilities	6,913		0		6,913
Total Current Liabilities	7,604		0		7,604
<u>Noncurrent Liabilities</u>					
Net Pension Liability	145,810		0		145,810
Accrued compensated absences	954		0		954
Total Noncurrent Liabilities	146,764		0		146,764
Total Liabilities	154,368		0		154,368
<u>Deferred inflow of resources</u>					
Pension related	29,190		0		29,190
<u>NET POSITION</u>					
Investment in capital assets	4,479		0		4,479
Restricted	0		136,255		136,255
Unrestricted	(76,354)		67,883		(8,471)
Total Net Position	\$ (71,875)		\$ 204,138		\$ 132,263

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND PROGRAM CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	ACC			
	C - 2056			
	Section 8 Housing Choice Vouchers	State / Local		Total
<u>OPERATING REVENUES</u>				
Other income	\$ 314,997	\$ 0		\$ 314,997
TOTAL OPERATING REVENUE	314,997	0		314,997
<u>OPERATING EXPENSES</u>				
Administrative	131,599	0		131,599
General expense	4,080	0		4,080
Housing assistance payments	1,278,270	0		1,278,270
Depreciation expense	924	0		924
TOTAL OPERATING EXPENSES	1,414,873	0		1,414,873
OPERATING INCOME (LOSS)	(1,099,876)	0		(1,099,876)
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Federal operating grants	1,049,334	0		1,049,334
Interest income	55	354		409
TOTAL NONOPERATING REVENUES	1,049,389	354		1,049,743
CHANGE IN NET POSITION	(50,487)	354		(50,133)
TOTAL NET POSITION - BEGINNING OF YEAR as originally stated	70,064	203,784		273,848
Change in accounting principle	(91,452)	0		(91,452)
TOTAL NET POSITION - BEGINNING OF YEAR as restated	(21,388)	203,784		182,396
NET POSITION, END OF YEAR	\$ (71,875)	\$ 204,138		\$ 132,263

Noblesville Housing Authority (IN080)
Noblesville, IN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	14.871 Housing Choice Vouchers	2 State/Local	Subtotal	Total
111 Cash - Unrestricted	\$13,815	\$15,809	\$29,624	\$29,624
112 Cash - Restricted - Modernization and Development		\$136,255	\$136,255	\$136,255
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$13,815	\$152,064	\$165,879	\$165,879
121 Accounts Receivable - PHA Projects	\$29,880		\$29,880	\$29,880
122 Accounts Receivable - HUD Other Projects	\$429		\$429	\$429
124 Accounts Receivable - Other Government		\$52,074	\$52,074	\$52,074
125 Accounts Receivable - Miscellaneous	\$1,144		\$1,144	\$1,144
126 Accounts Receivable - Tenants				
126.1 Allowance for Doubtful Accounts - Tenants				
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery	\$5,297		\$5,297	\$5,297
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0	\$0
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$36,750	\$52,074	\$88,824	\$88,824
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$316		\$316	\$316
143 Inventories	\$268		\$268	\$268
143.1 Allowance for Obsolete Inventories	\$0		\$0	\$0
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$51,149	\$204,138	\$255,287	\$255,287
161 Land				
162 Buildings				
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration	\$23,101		\$23,101	\$23,101
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$18,622		-\$18,622	-\$18,622
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,479	\$0	\$4,479	\$4,479
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$4,479	\$0	\$4,479	\$4,479
200 Deferred Outflow of Resources	\$56,055		\$56,055	\$56,055
290 Total Assets and Deferred Outflow of Resources	\$111,683	\$204,138	\$315,821	\$315,821

311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$691		\$691	\$691
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$2,464		\$2,464	\$2,464
322 Accrued Compensated Absences - Current Portion	\$4,449		\$4,449	\$4,449
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits				
342 Unearned Revenue				
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$7,604	\$0	\$7,604	\$7,604
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	\$954		\$954	\$954
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities	\$145,810		\$145,810	\$145,810
350 Total Non-Current Liabilities	\$146,764	\$0	\$146,764	\$146,764
300 Total Liabilities	\$154,368	\$0	\$154,368	\$154,368
400 Deferred Inflow of Resources	\$29,190		\$29,190	\$29,190
508.4 Net Investment in Capital Assets	\$4,479		\$4,479	\$4,479
511.4 Restricted Net Position	\$0	\$136,255	\$136,255	\$136,255
512.4 Unrestricted Net Position	-\$76,354	\$67,883	-\$8,471	-\$8,471
513 Total Equity - Net Assets / Position	-\$71,875	\$204,138	\$132,263	\$132,263
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$111,683	\$204,138	\$315,821	\$315,821

Noblesville Housing Authority (IN080)
Noblesville, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	14.871 Housing Choice Vouchers	2 State/Local	Subtotal	Total
70300 Net Tenant Rental Revenue				
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,049,334		\$1,049,334	\$1,049,334
70610 Capital Grants				
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$55	\$354	\$409	\$409
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	\$314,997		\$314,997	\$314,997
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$1,364,386	\$354	\$1,364,740	\$1,364,740
91100 Administrative Salaries	\$62,430		\$62,430	\$62,430
91200 Auditing Fees	\$4,802		\$4,802	\$4,802
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$385		\$385	\$385
91500 Employee Benefit contributions - Administrative	\$47,189		\$47,189	\$47,189
91600 Office Expenses	\$11,580		\$11,580	\$11,580
91700 Legal Expense				
91800 Travel	\$1,242		\$1,242	\$1,242
91810 Allocated Overhead				
91900 Other	\$3,971		\$3,971	\$3,971
91000 Total Operating - Administrative	\$131,599	\$0	\$131,599	\$131,599
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other				
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water				
93200 Electricity				
93300 Gas				
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$0	\$0	\$0	\$0

94100 Ordinary Maintenance and Operations - Labor				
94200 Ordinary Maintenance and Operations - Materials and Other				
94300 Ordinary Maintenance and Operations Contracts				
94500 Employee Benefit Contributions - Ordinary Maintenance				
94000 Total Maintenance	\$0	\$0	\$0	\$0
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
96110 Property Insurance				
96120 Liability Insurance	\$500		\$500	\$500
96130 Workmen's Compensation				
96140 All Other Insurance	\$269		\$269	\$269
96100 Total insurance Premiums	\$769	\$0	\$769	\$769
96200 Other General Expenses	\$1,360		\$1,360	\$1,360
96210 Compensated Absences	\$891		\$891	\$891
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents	\$1,060		\$1,060	\$1,060
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$3,311	\$0	\$3,311	\$3,311
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
96900 Total Operating Expenses	\$135,679	\$0	\$135,679	\$135,679
97000 Excess of Operating Revenue over Operating Expenses	\$1,228,707	\$354	\$1,229,061	\$1,229,061
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments	\$980,490		\$980,490	\$980,490
97350 HAP Portability-In	\$297,780		\$297,780	\$297,780
97400 Depreciation Expense	\$924		\$924	\$924
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$1,414,873	\$0	\$1,414,873	\$1,414,873
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$50,487	\$354	-\$50,133	-\$50,133

11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$70,064	\$203,784	\$273,848	\$273,848
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$91,452		-\$91,452	-\$91,452
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	-\$71,875		-\$71,875	-\$71,875
11180 Housing Assistance Payments Equity	\$0		\$0	\$0
11190 Unit Months Available	2077		2077	2077
11210 Number of Unit Months Leased	2076		2076	2076
11270 Excess Cash				
11610 Land Purchases				
11620 Building Purchases				
11630 Furniture & Equipment - Dwelling Purchases				
11640 Furniture & Equipment - Administrative Purchases				
11650 Leasehold Improvements Purchases				
11660 Infrastructure Purchases				
13510 CFFP Debt Service Payments				
13901 Replacement Housing Factor Funds				

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE A - Financial Data Schedule:

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense, housing assistance payments and extraordinary maintenance expense from operating activities, includes investment revenue, HUD capital grants, revenue, gains and losses on the disposal of capital assets and interest expense in operating activities, and reflects tenant revenue and bad debt expense separately, which differs from the presentation of the financial statements.

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>ANNUAL CONTRIBUTION CONTRACT</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>BUDGET</u>	<u>EXPENDITURES</u>
	<u>U. S. DEPARTMENT OF HUD</u>			
C-2056	Section 8 Housing Choice Voucher Program	14.871	\$ 1,049,334	\$ 1,049,334
TOTAL HUD FUNDING			<u>1,049,334</u>	<u>1,049,334</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 1,049,334</u>	<u>\$ 1,049,334</u>

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Noblesville Housing Authority under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Noblesville Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flow of Noblesville Housing Authority.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note A. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Noblesville Housing Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

OTHER REPORTS

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.
Fredericksburg, IN 47120

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*

Independent Auditor's Report

Board of Commissioners
Noblesville Housing Authority
320 Kings Lane
Noblesville, Indiana 46060-2423

I 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 Noblesville Housing Authority, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Noblesville Housing Authority's basic financial statements and have issued my report thereon dated May 17, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Noblesville Housing 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Noblesville Housing Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Noblesville Housing 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Noblesville Housing Authority's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of Noblesville Housing Authority in a separate letter dated May 17, 2016.

Purpose Of This Report

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

Fredericksburg, Indiana
May 17, 2016

Goldie Roberts
Certified Public Accountant

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by Uniform Guidance

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Noblesville Housing Authority
320 Kings Lane
Noblesville, Indiana 46060-2423

Report on Compliance for Each Major Federal Program

I have audited the Noblesville Housing Authority's 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 Noblesville Housing Authority's major federal programs for the year ended December 31, 2015. The Noblesville Housing 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance with each of the Noblesville Housing Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that I 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 Noblesville Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, the Noblesville Housing 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 December 31, 2015.

Report on Internal Control Over Compliance

Management of the Noblesville Housing Authority is responsible for establishing and maintaining effective internal control over the type of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Noblesville Housing 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 audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Noblesville Housing 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 a 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I 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 my 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.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
May 17, 2016

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

DECEMBER 31, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

~ Material weakness(es) identified? yes X no
~ Significant deficiency(s) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

FEDERAL AWARDS

Internal control over major federal programs:

~ Material weakness(es) identified? yes X no
~ Significant deficiency(s) identified that are not considered to be material weakness(es)? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.871	Housing Choice Voucher

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

Auditee qualified as low-risk auditee? X yes no

NOBLESVILLE HOUSING AUTHORITY
Noblesville, Indiana

DECEMBER 31, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

PRIOR AUDIT FINDINGS

There were no Prior Year matters reported.

CURRENT YEAR FINDINGS

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd
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May 17, 2016

Management and
Board of Commissioners of the
Noblesville Housing Authority
Noblesville, Indiana

In planning and performing my audit of the financial statements of the Noblesville Housing Authority as of and for the period ended December 31, 2015, I considered the Authority's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during my audit, I became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect my report dated May 17, 2016 on the financial statements of the Authority.

I will review the status of the comment during my next audit engagement. I have already discussed the comment and suggestion with Authority personnel, and will be pleased to discuss the comment in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendation. My comment is summarized as follows:

1. **CONDITION: REPORTING**

The unaudited submission did not include the pension plan assets and liabilities.

RECOMMENDATION:

The Authority should make sure that the accountant complies with the GASB 68 requirements.

I wish to thank the Executive Director and the staff of the Authority for their support and assistance during my audit.

This report is intended solely for the information and use of the Board of Commissioners, Management, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Goldie Roberts

Goldie Roberts
Certified Public Accountant