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April 21, 2020

Board of Commissioners  
Housing Authority of the City of Rockport  
PO Box 173  
Rockport, IN 47635

We have reviewed the audit report of the Housing Authority of the City of Rockport, which was opined upon by Goldie Roberts, CPA, Independent Public Accountant, for the period October 1, 2018 to September 30, 2019. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Rockport as of September 30, 2019, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Goldie Roberts, CPA, 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 blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

# HOUSING AUTHORITY OF THE CITY OF ROCKPORT

AUDITED FINANCIAL STATEMENTS

Rockport, Indiana  
September 30, 2019

*Goldie Roberts*

Certified Public Accountant

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

HOUSING AUTHORITY  
OF THE CITY OF ROCKPORT

Rockport, Indiana  
September 30, 2019

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# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.  
Fredericksburg, IN 47120

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of The City of Rockport  
601 Washington Street  
Rockport, Indiana

I have audited the accompanying financial statements of the Housing Authority of the City of Rockport ("the Authority") which comprise the Statement of Net Position as of September 30, 2019, 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 Housing Authority of the City of Rockport'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 Housing Authority of the City of Rockport as of September 30, 2019, 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 19 through 20 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 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 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 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 February 13, 2020 on my consideration of the Housing Authority of the City of Rockport'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 Housing Authority of the City of Rockport's internal control over financial reporting and compliance.

*Goldie Roberts*  
Certified Public Accountant

Fredericksburg, Indiana  
February 13, 2020

**HOUSING AUTHORITY OF THE CITY OF ROCKPORT**  
**Rockport, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

The management of the Housing Authority of Rockport presents the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ending 09/30/2019. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's audited financial statements, which follows.

**FINANCIAL HIGHLIGHTS**

- The Housing Authority's assets exceeded its liabilities by \$1,265,253 at the close of the fiscal year ended 09/30/2019.

Of this amount, \$109,306 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount equals 13% of the total operating expenses for the fiscal year 2019, excluding depreciation, which means the Authority could operate about 2 months using the unrestricted assets alone.

The remainder of \$1,155,947 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.

- The Authority spent \$330,607 on capital assets additions and renovation construction in progress during the current fiscal year.
- The Housing Authority continues to operate without the need for debt borrowing.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed.

**REPORTING ON THE HOUSING AUTHORITY AS A WHOLE**

One of the most important questions asked about the Authority's finances is, "is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2019?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**HOUSING AUTHORITY OF THE CITY OF ROCKPORT**  
**Rockport, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
(Continued)

**FUND FINANCIAL STATEMENTS**

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For reporting purposes all housing funds are reported in one housing enterprise fund.

The Housing Authority's financial statements report its net position and changes in them. One can think of the Housing Authority's net position – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

**USING THIS ANNUAL REPORT**

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant two programs, the Low Rent Housing Program and Public Housing Capital Fund Program.

The Housing Authority's auditors provided assurance in their independent auditors' report, located immediately preceding the MD&A, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of the report.

**REPORTING THE HOUSING AUTHORITY'S MOST SIGNIFICANT FUNDS**

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

The Housing Authority's enterprise funds use the following accounting approach or Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

**HOUSING AUTHORITY OF THE CITY OF ROCKPORT**  
**Rockport, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
(Continued)

**FINANCIAL ANALYSIS**

The Housing Authority's net position was \$1,265,253 as of September 30, 2019. Of this amount, \$1,155,947 was invested in capital assets, and the remaining \$109,306 was unrestricted. No other assets are currently restricted.

**CONDENSED FINANCIAL STATEMENTS COMPARING  
FYE 9/30/2019 WITH FYE 9/30/2018**

Condensed Balance Sheet

	As of 09/30/2018	As of 09/30/2019
<b>ASSETS</b>		
Current Assets	\$ 384,556	\$ 330,406
Capital Assets, Net of Depreciation	<u>975,660</u>	<u>1,155,947</u>
Total Assets	<u>1,360,216</u>	<u>1,486,353</u>
Deferred Outflows of Resources	<u>12,974</u>	<u>6,988</u>
Total Assets and Deferred Outflows	<u>\$ 1,373,190</u>	<u>\$ 1,493,341</u>
<b>LIABILITIES</b>		
Current Liabilities	\$ 105,753	\$ 79,385
Non-Current Liabilities	<u>140,423</u>	<u>109,118</u>
Total Liabilities	<u>246,176</u>	<u>188,503</u>
Deferred Inflows of Resources-Pension	<u>25,016</u>	<u>39,585</u>
<b>NET POSITION</b>		
Investment in Capital Assets	975,660	1,155,947
Unrestricted	<u>126,338</u>	<u>109,306</u>
Total Net Position	<u>1,101,998</u>	<u>1,265,253</u>
Total Liabilities and Net Position	<u>\$ 1,373,190</u>	<u>\$ 1,493,341</u>

**HOUSING AUTHORITY OF THE CITY OF ROCKPORT**  
**Rockport, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
(Continued)

**CONDENSED FINANCIAL STATEMENTS (Continued)**

Condensed Statement of Revenues, Expenses,  
and Changes in Fund Net Assets  
Fiscal Year Ended September 30, 2019

	FYE 09/30/2018	FYE 09/30/2019
<b>OPERATING REVENUES</b>		
Rental Revenue	\$ 407,188	\$ 418,570
Other Tenant Revenue	<u>70,887</u>	<u>74,692</u>
Total Operating Revenues	<u>478,075</u>	<u>493,262</u>
<b>OPERATING EXPENSES</b>		
Administration	176,123	181,866
Tenant Services	1,325	243
Utilities	171,294	168,278
Ordinary maintenance and operations	344,557	279,577
Protective Services	1,184	537
General and Other	73,262	80,733
Non-Routine Maintenance	3,318	1,428
Depreciation	<u>158,907</u>	<u>150,320</u>
Total Operating Expenses	<u>929,970</u>	<u>862,982</u>
Operating income (loss)	<u>(451,895)</u>	<u>(369,720)</u>
<b>NON-OPERATING REVENUES</b>		
Federal Grants – Operating	332,481	235,870
Federal Grants – Capital	139,354	285,452
Interest Income and Other Revenue	<u>7,255</u>	<u>11,653</u>
Total Non-Operating Revenue	<u>479,090</u>	<u>532,975</u>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<u>27,195</u>	<u>163,255</u>
<b>NET POSITION, Beginning of Year</b>	<u>1,074,803</u>	<u>1,101,998</u>
<b>NET POSITION, Beginning of Year (Adjusted)</b>	<u>1,074,803</u>	<u>1,101,998</u>
<b>NET POSITION, End of Year</b>	<u>\$ 1,101,998</u>	<u>\$ 1,265,253</u>

**HOUSING AUTHORITY OF THE CITY OF ROCKPORT**  
**Rockport, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**  
(Continued)

Compared with the prior fiscal year, total operating revenues increased \$15,187, which was due to a \$11,382 increase in rental revenue and \$3,805 increase in other tenant revenue. Federal funding increased by \$49,487.

Compared with the prior fiscal year, total operating expenses decreased \$66,988, which was mainly due to a \$64,980 decrease in ordinary maintenance and operations. The Authority also had a \$8,587 decrease in depreciation and a \$3,016 decrease in utilities. This was partially offset by a \$7,471 increase in general and other, and a \$5,473 increase in administrative expense.

Another factor affecting the financial statement is recording of Net Pension Liability.

These changes led to an increase in Total Net Position to \$1,265,253. With these changes, there is still \$1.75 of current assets covering each dollar of liability.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for September 30, 2019 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

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

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability or the money it receives. If you have questions about this report, or wish to request additional financial information, contact Helen Garrett, Executive Director, Rockport Housing Authority, Box 173, Rockport, IN 47635.

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

ASSETS

Current Assets

Cash and cash equivalents	\$ 275,018
Restricted cash and cash equivalents	131
Accounts receivable, net	11,827
Prepaid expenses	25,626
Inventory, net	17,804
	<hr/>
<b>Total Current Assets</b>	<b>330,406</b>

Capital Assets

Land and other nondepreciable assets	180,030
Depreciable capital assets, net	975,917
	<hr/>
<b>Total Capital Assets</b>	<b>1,155,947</b>

**Total Assets** **1,486,353**

Deferred outflow of resources

Pension related	6,988
	<hr/>

**Total Assets and Deferred Outflow of Resources** **1,493,341**

LIABILITIES AND EQUITY

Current liabilities

Accounts payable	21,648
Accrued liabilities	31,879
Unearned revenue	7,615
Payable from restricted cash and cash equivalents:	
Tenants security deposits	18,243
	<hr/>
<b>Total Current Liabilities</b>	<b>79,385</b>

Noncurrent liabilities

Accrued compensated absences	6,000
Net Pension Liability	103,118
	<hr/>
<b>Noncurrent Liabilities</b>	<b>109,118</b>

**Total Liabilities** **188,503**

Deferred inflow of resources

Pension related	39,585
	<hr/>

Net Position

Investment in capital assets	1,155,947
Unrestricted	109,306
	<hr/>
<b>Total Net Position</b>	<b>\$ 1,265,253</b>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

OPERATING REVENUES:

Rental income	\$ 493,262
Other income	10,240

<b>TOTAL OPERATING REVENUES</b>	<b>503,502</b>
---------------------------------	----------------

OPERATING EXPENSES:

Administrative	185,757
Tenant services	243
Utilities	168,278
Ordinary maintenance and operation	281,005
Protective services	537
General expense	76,842
Depreciation expense	150,320

<b>TOTAL OPERATING EXPENSES</b>	<b>862,982</b>
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OPERATING INCOME (LOSS)	(359,480)
-------------------------	-----------

NONOPERATING REVENUES:

Federal operating grants	235,870
Interest income	1,413

<b>TOTAL NONOPERATING REVENUES</b>	<b>237,283</b>
------------------------------------	----------------

Net income (loss) before capital contributions	(122,197)
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CAPITAL CONTRIBUTIONS	285,452
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CHANGE IN NET POSITION	163,255
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TOTAL NET POSITION - BEGINNING OF YEAR	1,101,998
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<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 1,265,253</b>
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The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and other deposits	\$	499,175
Payments to vendors		(505,463)
Payments to employees		(233,402)
Net Cash Used by Operating Activities		(239,690)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received		235,870
Net Cash From Noncapital Financing Activities		235,870

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Federal capital grants received		285,452
Acquisition and construction of capital assets		(330,607)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities		(45,155)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		1,413
Net Cash From Investing Activities		1,413

Net Increase (Decrease) in Cash and Cash Equivalents		(47,562)
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Balance - Beginning of year		322,711
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Balance - End of year	\$	275,149
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Reconciliation of Cash		
Unrestricted	\$	275,018
Restricted		131
	\$	275,149

Continued

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(Continued)

Operating income (loss)	\$	(359,480)
Adjustments to reconcile net operating income (loss) to net cash Provided by operating activities:		
Depreciation		150,320
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		(4,327)
Inventory		5,201
Prepaid expenses		5,714
Increase (Decrease) in:		
Accounts payable		3,516
Accrued liabilities		(15,984)
Unearned revenue		(16,857)
Pension liabilities		(7,793)
Net Cash Flows Provided (Used) by Operating Activities	\$	<u>(239,690)</u>

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

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - Summary of Significant Accounting Policies and Organization:**

The Housing Authority of the City of Rockport was established by the City of Rockport pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Housing Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other applicable Federal Agencies.

**Reporting Entity** - The entity is a political subdivision, 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 Housing Authority of the City of Rockport, a primary government. There are no component units to be included herewith, but this report does include all programs which are controlled by the entity's governing body.

The financial statements of the HOUSING AUTHORITY OF THE CITY OF ROCKPORT include Low-Income Public Housing under Annual Contributions Contract A-2855.

The authority had 144 units in management at September 30, 2019:

<u>Project</u>	<u>Units</u>
Authority owned	144

The authority was also administering Capital Fund Programs.

**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 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.

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.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

**NOTE 1 - Summary of Significant Accounting Policies and Organization:** (Continued)

**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 positions that are 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. Budgets are not, however, legally adopted nor legally required for financial statement presentation.

**Cash and Cash Equivalents** - Deposits consist of checking accounts, Money Market accounts and Certificates of deposit 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.

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

State statutes authorize the Housing Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by political subdivisions.

**Interprogram Receivables and Payables:** Interprogram receivables/payables are all current, and are the result of the use of the Low Income Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances is eliminated for the financial statement presentation.

**Investments:** Investments are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent through the State of Indiana's Collateralization Program. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Indiana.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies and Organization: (Continued)

**Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

**Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

**Restricted Assets:** Certain assets may be classified as restricted assets on the balance sheet because their use is restricted by contracts or agreements with outside third parties and lending institutions.

**Use of Estimates:** The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Capital Assets:**

**a. Book Value:** All purchased capital assets are valued at cost when historical records are available. When no historical records are available, capital assets are valued at estimated historical cost. Land values were derived from development closeout documentation.

Donated capital assets are recorded at their fair value at the time they are received. Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenses of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

**b. Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings & Improvements	10-25 years
Furniture, Equipment & Machinery	3-7 years

**c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$100 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

**NOTE 1 - Summary of Significant Accounting Policies and Organization:** (Continued)

**Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Standards*. 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.

**Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred the loss is probable and the loss is reasonably estimable.

**Annual Contribution Contracts:** Annual Contribution Contracts provide that HUD shall have the Authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

**Risk Management:** The Authority is exposed to various risks of loss 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 for all property and equipment, employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

**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 non-operating revenues and expenses.

**Restricted Assets:** When both restricted and unrestricted resources are available for use, it is the Authorities policy to use unrestricted resources first, then restricted, as they are needed.

**Leasing Activities (as Lessor):** The Authority is the Lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions, which impact personal income such as local job availability.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)

NOTE 2 - 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.

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 September 30, 2019, 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.

Deposits made in accordance with state statute (Indiana Code 5-13) with financial institutions in the State of Indiana should be covered to the extent not covered by insurance of any federal deposit insurance agency.

At September 30, 2019, the carrying amount of the Authority's deposits was \$318,427. 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. Restricted cash consists of tenant security deposits.

Deposits consist of the following:

Checking accounts	\$ 119,596
Certificates of Deposit	<u>155,553</u>
Total	<u>\$ 275,149</u>

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)

**NOTE 3 - Accounts Receivable:**

Accounts receivables at September 30, 2019 consist of the following:

Accounts receivable tenants, net of allowance of \$4,000	\$ 3,409
Accounts receivable due from HUD	8,418
	<u>\$ 11,827</u>

**NOTE 4 - Prepaid Expenses:**

Prepaid Expenses at September 30, 2019 consist of the following:

Prepaid insurance and other prepaid assets	<u>\$ 25,626</u>
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**NOTE 5 - Inventory:**

Inventory at September 30, 2019, consist of the following:

Inventory	<u>\$ 17,804</u>
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**NOTE 6 - Capital Assets:**

	Beginning Balance 09/30/18	Increases	Decreases	Transfers	Ending Balance 09/30/19
Capital assets, not being depreciated:					
Land	\$ 172,342	\$ 0	\$ 0	\$ 0	\$ 172,342
Construction in Progress	61,319	285,452	0	( 339,083)	7,688
Total Capital Assets, Not being depreciated	233,661	285,452	0	(339,083)	180,030
Capital Assets, being depreciated:					
Buildings & Improvements	5,839,632	45,154	0	339,083	6,223,869
Furniture, Equipment & Machinery	161,915	0	0	0	161,915
Total Capital Assets, being depreciated	6,001,547	45,154	0	339,083	6,385,784
Less Accumulated Depreciation for:					
Buildings & Improvements	( 5,150,160)	( 138,294)	0	0	( 5,288,454)
Furniture, Equipment and Machinery	( 109,388)	( 12,026)	0	0	( 121,414)
Total Accumulated Depreciation:	( 5,259,548)	( 150,320)	0	0	( 5,409,867)
Total Capital Assets, being depreciated, net	741,999	( 105,166)	0	339,083	975,917
Capital Assets, Net	<u>\$ 975,660</u>	<u>\$ 180,286</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 975,660</u>

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)

NOTE 6 - Capital Assets: (Continued)

Major construction renovation through the Capital Fund Program costs of \$408,610 are yet to be expended under the current programs. HUD has approved funding for the above amount. Depreciation expense for the year ended September 30, 2019, was \$150,320.

NOTE 7 - Pension Plan:

*Description of Pension Plan*

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

**Description of Defined Benefit Funds**

**Public Employees' Defined Benefit Account (PERF DB)**

PERF DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, 5-10.3, 5-10.5, 35 IAC 1.2, and other Indiana pension law. PERF DB is a component of the Public Employees' Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC). Refer to the Description of Defined Contribution Funds for discussion of both the PERF DC and PERF MC DC accounts. A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have at least one year of service in both PERF DB and the Teachers' Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 7 - Pension Plan: (Continued)

Eligibility for Pension Benefit Payment

Full Retirement Benefit

- At age 65 with at least 10 years of creditable service (eight years for certain elected officials).  
At age 60 with at least 15 years creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position.
- At age 70 with 20 years of creditable service and still active in the PERF-covered position.

**Early Retirement Benefit**

Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

**Disability Benefit**

An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month).

**Survivor Benefit**

While in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. While receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

**Contribution Rates**

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.43 percent funding a supplemental reserve account for postretirement benefits. Contributions from employers with PERF MC DC plan members, who either currently offer or have offered PERF Hybrid, fund PERF DB's unfunded liability at 8.2 percent of covered payroll for the State and 7.4 percent for political subdivisions. No member contributions are required.

**Benefit Formula & Postretirement Benefit Adjustment**

Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)

**NOTE 7 - Pension Plan:** (Continued)

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board. For the year ended June 30, 2019, postretirement benefits of \$29.6 million were issued to members as a 13th check.

**Investment Oversight and Policy**

Oversight of INPRS assets is the fiduciary responsibility of the Board. As stated in IC 5-10.3-5-3(a) and IC 5-10.4-3-10(a) "The Board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims." Accordingly, the Board must sufficiently diversify the portfolio to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so. Primary risk measures are volatility in the plan's assets, funded status, and contribution rates.

Indiana law permits the Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control. On June 30, 2019, cash and investments were held by banks or trust companies under custodial agreements with INPRS. The Investment Policy Statement, adopted by the Board, includes target asset allocation and allowable ranges that are expected to meet rates of return over a period while minimizing risk.

**Defined Benefit Assets**

The following global asset classes, target allocations, and target ranges were approved by the INPRS Board on October 23, 2015 for DB funds, based on a formal asset-liability study and shall remain in place until revised by the INPRS Board. An asset-liability study is conducted every five years. Detailed information on each asset class is included in the Investment Section

<b>Asset Class</b>	<b>Actual Allocations</b>	<b>Target Range</b>
Public equity	23.6%	22.0%
Private equity	12.7%	14.0%
Fixed Income-Ex Inflation-Linked	20.1%	20.0%
Fixed Income - Inflation-Linked	7.3%	7.0%
Real estate	6.5%	7.0%
Commodities	7.9%	8.0%
Absolute Return	9.6%	10.0%
Risk Parity	11.1%	12.0%
Cash Overlay	1.2%	N/A
<b>Total</b>	<b>100%</b>	<b>100%</b>

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 7 - Pension Plan: (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75% and is equal to long-term expected return on plan investments, net of administrative expenses. The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of: 1) the current contribution rate of 11.2%, or 2) the actuarially determined contribution rate computed by the actuary using the assumptions and methods selected by the Board for the annual actuarial valuations.

*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:

Total Pension Liability (TPL) is determined by the actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service, etc.) and assumptions about the probability of occurrence of events in the future (e.g., mortality, disabilities, retirements, employment terminations, etc.). Actuarially determined amounts are subject to review and modifications, as actual results are compared with past expectations and new estimates are developed. In 2019, none of the actuarial assumptions or methods changed.

The Schedule of Contributions in the Required Supplementary Information presents trend information about the amounts contributed to the plan by employers and a nonemployer contributing entity in comparison to the Actuarially Determined Contribution (ADC). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and the amortization of any unfunded actuarial accrued liability.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)

NOTE 7 - Pension Plan: (continued)

1% Decrease (5.75%)	Discount rate (6.75%)	1% Increase (7.75%)
\$165,609	\$103,118	\$50,996

***Pension Expense***

For the year ended June 30, 2019, the Housing Authority recognized pension expense of \$9,682, 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.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$2,731	\$0
Net differences between projected and actual investment earnings on pension plan investments	\$0	\$4,874
Changes in assumptions	\$23	\$11,210
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$317	\$23,501
Contributions made after plan year end (measurement date)	\$3,917	\$0
<b>Total</b>	<b>\$6,988</b>	<b>\$39,585</b>

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 the following years:

Amortization of net deferred outflows/(inflows) of resources - debit/(credit)	
2020	\$(12,331)
2021	\$(15,936)
2022	\$(7,869)
2023	\$(378)
2024	\$0
Thereafter	\$0
<b>Total</b>	<b>\$(36,514)</b>

The information presented above has not been audited.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019  
(Continued)

**NOTE 8 - Accounts Payable:**

Accounts payable at September 30, 2019 consist of the following:

Vendors' Accounts Payable	\$ <u>21,648</u>
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**NOTE 9 - Accrued Liabilities:**

Accrued liabilities at September 30, 2018, consist of the following:

Accrued wages/payroll taxes payable	\$ 1,854
PILOT	26,362
Accrued Compensated absences	<u>3,663</u>
Total	<u>\$31,879</u>

**NOTE 10 - Unearned Revenue:**

Unearned revenue at September 30, 2019 consists of the following:

Pre-Paid Rent	\$ <u>7,615</u>
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**NOTE 11 - Noncurrent Liabilities:**

Noncurrent liabilities at September 30, 2019, consist of the following:

	<u>09/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>09/30/19</u>	<u>Current Portion</u>	<u>Total</u>
Accrued compensated absences	\$ 8,957	\$	\$ 2,957	\$ 6,000	\$ 3,663	\$ 9,663
Net pension liability	<u>131,466</u>	<u>0</u>	<u>28,348</u>	<u>103,118</u>	<u>0</u>	<u>103,118</u>
Total	<u>\$ 140,423</u>	<u>\$ 0</u>	<u>\$ 31,305</u>	<u>\$109,118</u>	<u>\$ 3,663</u>	<u>\$ 112,781</u>

**NOTE 13 - Federal Operating Grants:**

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contract. These subsidy contributions for the operating year ended September 30, 2019 were as follows:

Low Rent Public Housing	\$ 233,032
Capital Fund	<u>2,838</u>
Total	<u>\$ 235,870</u>

**NOTE 14 - Federal Capital Grants:**

The Authority receives federal capital grants from HUD for capital fund program improvements. Capital grants recognized for the fiscal year ended September 30, 2019 were \$285,452.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Continued)

NOTE 15 - Economic Dependency:

The Authority receives approximately 51% of its revenues from the U.S. Department of Housing and Urban Development (HUD). If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

NOTE 16 - Commitments and Contingencies:

Litigation: At September 30, 2019, the Authority was not involved in any threatened litigation.

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 concerning the year ended September 30, 2018.

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. Other than the amounts listed in the paragraph above, the amounts, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

Construction Projects: There are certain major construction projects in progress at September 30, 2019. These include modernizing rental units at the project sites. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. These costs will be paid by grants committed to the Authority by HUD.

NOTE 17 - Conduit Type Debt:

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by the United States Department of HUD. There is no debt or pledge of faith and credit on the part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Housing Authority of the City of Rockport.

HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

NOTE 18 - Subsequent Events:

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated the activity of the Authority through February 13, 2020 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

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

INPRS Pension Plan  
Last Ten Fiscal Years\*

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Rockport Housing Authority's proportion of the net pension liability	.00384	.00387	.00312
Rockport Housing Authority's proportionate share of the net pension liability	\$178,462	\$131,466	\$103,118
Rockport Housing Authority's covered employee payroll	\$198,375	\$197,650	\$162,352
Rockport Housing Authority's proportionate share of the net pension liability as a percentage of it's covered employee payroll	90%	67%	64%

Note: Additional years information will be presented when available.

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

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE ROCKPORT HOUSING AUTHORITY'S CONTRIBUTIONS

INPRS Pension Plan  
Last Ten Fiscal Years\*

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 22,662	\$ 20,613	\$ 18,183
Contributions in relation to the contractually required contribution	<u>22,662</u>	<u>20,613</u>	<u>18,183</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Rockport Housing Authority's covered employee payroll	\$198,375	\$197,650	\$162,352
Contributions as a percentage of covered employee payroll	11%	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

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

COMBINING SCHEDULE OF PROGRAM NET POSITION  
SEPTEMBER 30, 2019

	ACC		Totals
	A-2855		
	Low-Income Public Housing	Capital Fund Programs	
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 275,018	\$ 0	\$ 275,018
Restricted cash and cash equivalents	131	0	131
Accounts receivable, net	11,827	0	11,827
Prepaid expenses	25,626	0	25,626
Inventory, net	17,804	0	17,804
<b>Current Assets</b>	<b>330,406</b>	<b>0</b>	<b>330,406</b>
<b><u>Capital Assets</u></b>			
Land and other nondepreciable assets	180,030	0	180,030
Depreciable capital assets, net	975,917	0	975,917
<b>Total Capital Assets</b>	<b>1,155,947</b>	<b>0</b>	<b>1,155,947</b>
<b>Total Assets</b>	<b>1,486,353</b>	<b>0</b>	<b>1,486,353</b>
<b><u>Deferred outflow of resources</u></b>			
Pension related	6,988	0	6,988
<b>Total Assets and Deferred Outflow of Resources</b>	<b>1,493,341</b>	<b>0</b>	<b>1,493,341</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b><u>Current liabilities</u></b>			
Accounts payable	21,648	0	21,648
Accrued liabilities	31,879	0	31,879
Unearned revenue	7,615	0	7,615
Payable from restricted cash and and cash equivalents:			
Tenants security deposits	18,243	0	18,243
<b>Current Liabilities</b>	<b>79,385</b>	<b>0</b>	<b>79,385</b>
<b><u>Noncurrent liabilities</u></b>			
Accrued compensated absences	6,000	0	6,000
Net Pension Liability	103,118	0	103,118
<b>Noncurrent Liabilities</b>	<b>109,118</b>	<b>0</b>	<b>109,118</b>
<b>Total liabilities</b>	<b>188,503</b>	<b>0</b>	<b>188,503</b>
<b><u>Deferred inflow of resources</u></b>			
Pension related	39,585	0	39,585
<b><u>Net Position</u></b>			
Investment in capital assets	1,155,947	0	1,155,947
Unrestricted	109,306	0	109,306
<b>TOTAL NET POSITION</b>	<b>\$ 1,265,253</b>	<b>\$ 0</b>	<b>\$ 1,265,253</b>

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

COMBINING SCHEDULE OF PROGRAM CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	ACC		
	A-2855		
	Low-Income Public Housing	Capital Fund Programs	Total
<b><u>OPERATING REVENUES:</u></b>			
Rental income	\$ 493,262	\$ 0	\$ 493,262
Other income	10,240	0	10,240
<b>TOTAL OPERATING REVENUES</b>	<b>503,502</b>	<b>0</b>	<b>503,502</b>
<b><u>OPERATING EXPENSES:</u></b>			
Administrative	185,757	0	185,757
Tenant services	243	0	243
Utilities	168,278	0	168,278
Ordinary maintenance and operation	281,005	0	281,005
Protective services	537	0	537
General expense	76,842	0	76,842
Depreciation expense	150,320	0	150,320
<b>TOTAL OPERATING EXPENSES</b>	<b>862,982</b>	<b>0</b>	<b>862,982</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(359,480)</b>	<b>0</b>	<b>(359,480)</b>
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>			
Federal operating grants	233,032	2,838	235,870
Interest income	1,413	0	1,413
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>234,445</b>	<b>2,838</b>	<b>237,283</b>
<b>Net income (loss) before capital contributions</b>	<b>(125,035)</b>	<b>2,838</b>	<b>(122,197)</b>
Operating transfers	288,290	(288,290)	0
<b>CAPITAL CONTRIBUTIONS</b>	<b>0</b>	<b>285,452</b>	<b>285,452</b>
<b>CHANGE IN NET POSITION</b>	<b>163,255</b>	<b>0</b>	<b>163,255</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<b>1,101,998</b>	<b>0</b>	<b>1,101,998</b>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 1,265,253</b>	<b>\$ 0</b>	<b>\$ 1,265,253</b>

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND COSTS - COMPLETED  
SEPTEMBER 30, 2019

Annual Contributions Contract A-2855

	<u>501-16</u>	<u>501-17</u>
1. The Capital Fund Costs are as follows:		
Funds Approved	\$ 144,278	\$ 223,543
Funds Expended	<u>144,278</u>	<u>223,543</u>
Excess / (Deficiency) of Funds Approved	\$ <u>0</u>	\$ <u>0</u>
Funds Advanced	\$ 144,278	\$ 223,543
Funds Expended	<u>144,278</u>	<u>223,543</u>
Excess / (Deficiency) of Funds Advanced	\$ <u>0</u>	\$ <u>0</u>

2. Costs additions totaling \$ 181,144 were made during the current audit and, accordingly, were audited by Goldie Roberts, CPA.
3. The distribution of costs by project as shown on the Final Statement of Capital Fund Costs on the above Phase, accompanying the Actual Capital Fund Costs Certificate submitted to HUD are in agreement with the Authority records.
4. All Capital Fund work in connection with the Project has been completed.
5. All liabilities have been paid and there are no undischarged liens against the Project on file in any public office where the same should be filed in order to be valid and the time in which such liens could be filed has expired.
6. There were no budget overruns.

Rockport Housing Authority (IN024)  
**ROCKPORT, IN**  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2019

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$101,222	\$101,222	\$101,222
112 Cash - Restricted - Modernization and Development	\$131	\$131	\$131
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$18,243	\$18,243	\$18,243
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$119,596	\$119,596	\$119,596
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$8,244	\$8,244	\$8,244
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$7,409	\$7,409	\$7,409
126.1 Allowance for Doubtful Accounts - Tenants	-\$4,000	-\$4,000	-\$4,000
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable	\$174	\$174	\$174
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$11,827	\$11,827	\$11,827
131 Investments - Unrestricted	\$155,553	\$155,553	\$155,553
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$25,626	\$25,626	\$25,626
143 Inventories	\$17,804	\$17,804	\$17,804
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$330,406	\$330,406	\$330,406
161 Land	\$172,342	\$172,342	\$172,342
162 Buildings	\$6,011,950	\$6,011,950	\$6,011,950
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$161,915	\$161,915	\$161,915
165 Leasehold Improvements	\$211,919	\$211,919	\$211,919
166 Accumulated Depreciation	-\$5,409,867	-\$5,409,867	-\$5,409,867
167 Construction in Progress	\$7,688	\$7,688	\$7,688
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,155,947	\$1,155,947	\$1,155,947
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	\$1,155,947	\$1,155,947	\$1,155,947
200 Deferred Outflow of Resources	\$6,988	\$6,988	\$6,988
290 Total Assets and Deferred Outflow of Resources	\$1,493,341	\$1,493,341	\$1,493,341
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$8,601	\$8,601	\$8,601
313 Accounts Payable >90 Days Past Due			

321	Accrued Wage/Payroll Taxes Payable	\$1,854	\$1,854	\$1,854
322	Accrued Compensated Absences - Current Portion	\$3,663	\$3,663	\$3,663
324	Accrued Contingency Liability			
325	Accrued Interest Payable			
331	Accounts Payable - HUD PHA Programs			
332	Account Payable - PHA Projects			
333	Accounts Payable - Other Government	\$26,362	\$26,362	\$26,362
341	Tenant Security Deposits	\$18,243	\$18,243	\$18,243
342	Unearned Revenue	\$7,615	\$7,615	\$7,615
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	\$13,047	\$13,047	\$13,047
347	Inter Program - Due To			
348	Loan Liability - Current			
310	Total Current Liabilities	\$79,385	\$79,385	\$79,385
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	\$6,000	\$6,000	\$6,000
355	Loan Liability - Non Current			
356	FASB 5 Liabilities			
357	Accrued Pension and OPEB Liabilities	\$103,118	\$103,118	\$103,118
350	Total Non-Current Liabilities	\$109,118	\$109,118	\$109,118
300	Total Liabilities	\$188,503	\$188,503	\$188,503
400	Deferred Inflow of Resources	\$39,585	\$39,585	\$39,585
508.4	Net Investment in Capital Assets	\$1,155,947	\$1,155,947	\$1,155,947
511.4	Restricted Net Position			
512.4	Unrestricted Net Position	\$109,306	\$109,306	\$109,306
513	Total Equity - Net Assets / Position	\$1,265,253	\$1,265,253	\$1,265,253
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,493,341	\$1,493,341	\$1,493,341

Rockport Housing Authority (IN024)  
**ROCKPORT, IN**  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2019

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$418,570	\$418,570	\$418,570
70400 Tenant Revenue - Other	\$74,692	\$74,692	\$74,692
70500 Total Tenant Revenue	\$493,262	\$493,262	\$493,262
70600 HUD PHA Operating Grants	\$235,870	\$235,870	\$235,870
70610 Capital Grants	\$285,452	\$285,452	\$285,452
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	\$1,413	\$1,413	\$1,413
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	\$10,240	\$10,240	\$10,240
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$1,026,237	\$1,026,237	\$1,026,237
91100 Administrative Salaries	\$97,019	\$97,019	\$97,019
91200 Auditing Fees	\$4,777	\$4,777	\$4,777
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$77	\$77	\$77
91500 Employee Benefit Contributions - Administrative	\$18,321	\$18,321	\$18,321
91600 Office Expenses	\$39,695	\$39,695	\$39,695
91700 Legal Expense	\$4,050	\$4,050	\$4,050
91800 Travel	\$882	\$882	\$882
91810 Allocated Overhead			
91900 Other	\$17,045	\$17,045	\$17,045
91000 Total Operating - Administrative	\$181,866	\$181,866	\$181,866
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$243	\$243	\$243
92500 Total Tenant Services	\$243	\$243	\$243
93100 Water	\$29,804	\$29,804	\$29,804
93200 Electricity	\$80,154	\$80,154	\$80,154
93300 Gas	\$26,903	\$26,903	\$26,903
93400 Fuel			
93500 Labor			
93600 Sewer	\$31,417	\$31,417	\$31,417
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$168,278	\$168,278	\$168,278

94100 Ordinary Maintenance and Operations - Labor	\$95,946	\$95,946	\$95,946
94200 Ordinary Maintenance and Operations - Materials and Other	\$47,969	\$47,969	\$47,969
94300 Ordinary Maintenance and Operations Contracts	\$117,437	\$117,437	\$117,437
94500 Employee Benefit Contributions - Ordinary Maintenance	\$18,225	\$18,225	\$18,225
94000 Total Maintenance	\$279,577	\$279,577	\$279,577
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	\$537	\$537	\$537
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$537	\$537	\$537
96110 Property Insurance	\$35,138	\$35,138	\$35,138
96120 Liability Insurance			
96130 Workmen's Compensation	\$5,385	\$5,385	\$5,385
96140 All Other Insurance	\$245	\$245	\$245
96100 Total insurance Premiums	\$40,768	\$40,768	\$40,768
96200 Other General Expenses			
96210 Compensated Absences	\$3,891	\$3,891	\$3,891
96300 Payments in Lieu of Taxes	\$26,362	\$26,362	\$26,362
96400 Bad debt - Tenant Rents	\$9,712	\$9,712	\$9,712
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$39,965	\$39,965	\$39,965
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
96900 Total Operating Expenses	\$711,234	\$711,234	\$711,234
97000 Excess of Operating Revenue over Operating Expenses	\$315,003	\$315,003	\$315,003
97100 Extraordinary Maintenance	\$1,428	\$1,428	\$1,428
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$150,320	\$150,320	\$150,320
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$862,982	\$862,982	\$862,982
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$163,255	\$163,255	\$163,255

11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,101,998	\$1,101,998	\$1,101,998
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1692	1692	1692
11210 Number of Unit Months Leased	1593	1593	1593
11270 Excess Cash	\$147,719	\$147,719	\$147,719
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$330,607	\$330,607	\$330,607
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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 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.

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  
Housing Authority of The City of Rockport  
601 Washington Street  
Rockport, Indiana

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 Housing Authority of The City of Rockport, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority of The City of Rockport's basic financial statements and have issued my report thereon dated February 13, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Housing Authority of The City of Rockport'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 Housing Authority of The City of Rockport's internal control. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of The City of Rockport'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 Housing Authority of The City of Rockport'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*.

**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.

*Goldie Roberts*

Certified Public Accountant

Fredericksburg, Indiana  
February 13, 2020

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

SEPTEMBER 30, 2019

SCHEDULE OF FINDINGS AND RESPONSES

STATUS OF PRIOR AUDIT FINDINGS

There are no prior year findings.

CURRENT AUDIT FINDINGS

There are no current findings.