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August 19, 2020

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

We have reviewed the audit report of Noblesville Housing Authority, which was opined upon by Goldie Roberts, CPA, Independent Public Accountant, for the period January 1, 2019 to December 31, 2019. 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, 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.

*Paul D. Joyce*

Paul D. Joyce, CPA  
State Examiner

# NOBLESVILLE HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

Noblesville, Indiana

December 31, 2019

*Goldie Roberts*

Certified Public Accountant

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

NOBLESVILLE  
HOUSING AUTHORITY

Noblesville, Indiana  
DECEMBER 31, 2019

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	i
 <u>FINANCIAL STATEMENTS</u>	
Statement of Net Position	3
Statement of Changes in Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	7
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of the Authority's Proportionate Share of the Net Pension Liability	18
Schedule of the Authority's Contributions	19
 <u>SUPPLEMENTAL FINANCIAL INFORMATION</u>	
Combining Schedule of Program Net Position	20
Combining Schedule of Program Changes in Net Position	21
Financial Data Schedule	22
Notes to Supplemental Financial Information	27
Schedule of Expenditures of Federal Awards	28
 <u>OTHER REPORTS</u>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by Uniform Guidance	31
Schedule of Findings and Questioned Costs	33

# 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, 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 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, 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 iv 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 August 13, 2020 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 solely 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 the effectiveness of 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  
August 13, 2020

**NOBLESVILLE HOUSING AUTHORITY**  
Noblesville, Indiana

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2019**

The management of the Noblesville Housing Authority (PHA) offers this narrative overview and analysis of its audited financial statements for fiscal year ended December 31, 2019. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begins on page 3.

**FINANCIAL HIGHLIGHTS:**

- The assets of the PHA exceed its liabilities as of December 31, 2019 by \$171,881. (net position).
- The PHA's net investment in capital assets as of December 31, 2019 was \$13,803.
- The PHA's total revenue for the fiscal year end December 31, 2019 was \$1,728,027.
- The PHA's total expenses for the fiscal year end December 31, 2019 were \$1,686,325. Therefore, the PHA's total combined expenses exceeded its total combined revenue by \$41,700.

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

The following financial statements are included in this report:

- *Statement of Net Position* - reports the Authority current financial resources: its cash and other current assets, its current and non-current liabilities and comparing those two elements, the resulting net position of the PHA. A comparison between this year and the preceding year is also provided.
- *Statement of Revenue, Expenses, and Changes in Net Position* - reports the PHA's various revenue and expenses and provides a comparison between this year and the preceding year.
- *Statement of Cash Flows* – reports cash inflows and outflows for the Housing Authority's fiscal year.

**NOBLESVILLE HOUSING AUTHORITY**  
Noblesville, Indiana

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2019**  
(Continued)

**ANALYSIS OF FINANCIAL STATEMENTS:**

STATEMENT OF NET POSITION

	<u>2019</u>	<u>2018</u>	<u>INCREASE (DECREASE)</u>
Cash and investments	\$ 236,714	\$ 211,217	\$ 25,497
Other current assets	46,579	47,031	(452)
Capital assets	13,803	4,558	9,245
Deferred outflow of resources	<u>10,671</u>	<u>14,371</u>	<u>(3,700)</u>
<b>TOTAL ASSETS</b>	<u>307,767</u>	<u>277,177</u>	<u>30,590</u>
Current liabilities	10,546	10,826	(280)
Non-current liabilities	96,508	113,122	(16,614)
Deferred inflow of resources	<u>28,812</u>	<u>23,050</u>	<u>5,762</u>
<b>TOTAL LIABILITIES</b>	<u>135,866</u>	<u>146,998</u>	<u>(11,132)</u>
Net investment in capital assets	13,803	4,558	9,245
Restricted	156,922	138,264	18,658
Unrestricted	<u>1,156</u>	<u>(12,643)</u>	<u>13,799</u>
<b>TOTAL NET POSITION</b>	<u>\$ 171,881</u>	<u>\$ 130,179</u>	<u>\$ 41,702</u>

The increase in cash and investments is due to an increase in administration revenue along with a decrease in administration expenses.

The increase in other capital assets is due to an increase in fraud receivable on the books.

The increase in capital assets was due to the purchase of new computers and printer.

The decrease in non-current liabilities is due to a large decrease in the net pension liability realization.

The increase in restricted net position is due to current year HAP revenue exceeding HAP expense.

The increase in unrestricted net position is due to current year operations, producing a net income before depreciation.

**NOBLESVILLE HOUSING AUTHORITY**  
Noblesville, Indiana

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2019**  
(Continued)

**ANALYSIS OF STATEMENT OF REVENUE AND EXPENSES**  
**PRIOR AND CURRENT FISCAL YEAR:**

	YEAR ENDING		INCREASE (DECREASE)
	December 31, 2019		
	<u>2019</u>	<u>2018</u>	
<b>REVENUE</b>			
Other income	\$ 427,897	\$ 604,542	\$ (176,645)
Federal operating grants	1,297,873	1,196,859	101,014
Interest income	2,257	859	1,398
TOTAL REVENUE	<u>\$ 1,728,027</u>	<u>\$ 1,802,260</u>	<u>\$ (74,233)</u>

**ANALYSIS OF STATEMENT OF REVENUE AND EXPENSES**  
**PRIOR AND CURRENT FISCAL YEAR:** (continued)

<b>EXPENSES</b>			
Administrative expenses	\$ 126,404	\$ 168,079	\$ (41,675)
General expenses	7,543	1,519	6,024
Housing Assistance Payments	1,549,835	1,670,042	(120,207)
Depreciation	2,545	1,415	1,130
TOTAL EXPENSES	<u>\$ 1,686,327</u>	<u>\$ 1,841,055</u>	<u>\$ (154,728)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 41,700</u>	<u>\$ (38,795)</u>	<u>\$ 80,495</u>

The decrease in other income is due to a decrease in Port-In Revenue.

The increase in federal operating grants varies due according to the number of vouchers issued.

The decrease in administrative expenses correlates with a decrease in administrative wages.

The decrease in HAP correlates with the number of vouchers issued and varies from year to year.

The increase in collection loss was due to tenants with large balances not having repayment agreements on file.

**SIGNIFICANT TRANSACTIONS**

None

**NOBLESVILLE HOUSING AUTHORITY**  
Noblesville, Indiana

**MANAGEMENT DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2019**  
(Continued)

**CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY DURING THE YEAR**

Significant additions to capital assets during the year included:

Administration Equipment – 11,790

There was no long-term debt as of December 31, 2019.

More detailed information about the capital assets is presented in the Notes to the Financial Statements.

**FUTURE EVENTS (NEW BUSINESS)**

None Anticipated

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the PHA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Aimee Jacobsen, Executive Director, Noblesville Housing Authority, 320 Kings Lane, Noblesville, IN 46060.

FINANCIAL STATEMENTS

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

STATEMENT OF NET POSITION

DECEMBER 31, 2019

ASSETS

Current Assets

Cash and cash equivalents	\$	79,792
Restricted cash and cash equivalents		156,922
Accounts receivable, net		38,692
Prepaid insurance		6,400
Inventory		1,487
<b>Total Current Assets</b>		<b>283,293</b>

Capital Assets:

Land and other non-depreciable assets		0
Depreciable capital assets, net		13,803
<b>Total Capital Assets</b>		<b>13,803</b>

**Total Assets** 297,096

Deferred outflow of resources

Pension related		<u>10,671</u>
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**Total Assets and Deferred Outflow of Resources** 307,767

LIABILITIES

Current liabilities

Accounts payable		1,574
Accrued liabilities		8,992
<b>Total Current Liabilities</b>		<b>10,566</b>

Noncurrent Liabilities

Net Pension Liability		<u>96,508</u>
<b>Total Noncurrent Liabilities</b>		<b>96,508</b>

**Total Liabilities** 107,074

Deferred inflow of resources

Pension related		<u>28,812</u>
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NET POSITION

Investment in capital assets		13,803
Restricted		156,922
Unrestricted		1,156
<b>Total Net Position</b>	<b>\$</b>	<b><u>171,881</u></b>

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, 2019

OPERATING REVENUES

Other income \$ 427,897

TOTAL OPERATING REVENUE 427,897

OPERATING EXPENSES

Administrative 127,192

Tenant services 0

General expense 6,755

Housing assistance payments 1,549,834

Depreciation expense 2,544

TOTAL OPERATING EXPENSES 1,686,325

OPERATING INCOME (LOSS) (1,258,428)

NONOPERATING REVENUES

Federal operating grants 1,297,873

Interest income 2,257

TOTAL NONOPERATING REVENUES 1,300,130

CHANGE IN NET ASSETS 41,702

NET POSITION - BEGINNING OF YEAR 130,179

NET POSITION - END OF YEAR \$ 171,881

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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and other deposits	\$ 427,897
Payments to vendors	(54,803)
Payments to landlords	(1,549,834)
Payments to employees	(86,104)
Net Cash Used by Operating Activities	<u>(1,262,844)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received	<u>1,297,873</u>
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>1,297,873</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	<u>(11,789)</u>
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(11,789)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>2,257</u>
Net Cash Provided (Used) from Investing Activities	<u>2,257</u>

Net Increase (Decrease) in Cash and Cash Equivalents	25,497
Cash - Beginning of year	<u>211,217</u>
Cash - End of year	<u>\$ 236,714</u>

Reconciliation of Cash	
Unrestricted	\$ 79,792
Restricted	<u>156,922</u>
Total Cash and Cash Equivalents	<u>\$ 236,714</u>

Continued

NOBLESVILLE HOUSING AUTHORITY  
NOBLESVILLE, INDIANA

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)

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

Operating income (loss)	\$	(1,258,428)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation		2,544
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		(4,762)
Prepaid expenses		5,214
Increase (Decrease) in:		
Accounts payable		1,081
Accrued liabilities		(1,341)
Pension related		(7,152)
Net Cash Flows Provided (Used)		
by Operating Activities	\$	<u>(1,262,844)</u>

The accompanying notes are an integral part of these financial statements

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**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 189 Housing Choice Voucher units under ACC at December 31, 2019.

**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, 2019

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 nonnegotiable Certificates of Deposits to be cash equivalents. There were no noncash investing, non capital, 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 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.

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

Tenant Receivables - Receivables (if any) for charges are reported as net of an allowance for doubtful accounts. The allowance as of December 31, 2019 was \$87,295. The Authority board takes monthly action as required to write off specific uncollectible accounts receivable balances.

Prepaid - Prepaid represent payments made to vendors for services that will benefit beyond December 31, 2019.

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, 2019

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, 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 December 31, 2019, the carrying amount of the Authority's deposits was \$250,632. 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>\$ 250,632</u>
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Restricted cash consists of the following:

McKinney Act Refunding Agreement	<u>\$ 139,638</u>
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Housing Assistance Payments	<u>\$ 17,284</u>
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NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE C - Accounts Receivable:**

Accounts receivable at December 31, 2019, consist of the following:

Accounts receivable - PHA projects	\$ 18,666
Accounts receivable - fraud recovery, net of allowance of 87,295	11,000
Accounts receivable - Hamilton County	7,966
Accounts receivable miscellaneous	<u>1,060</u>
 Total	 <u>\$ 38,692</u>

**NOTE D - Prepaid expenses:**

Prepaid expenses at December 31, 2019, consist of the following:

Prepaid insurance and expenses	<u>\$ 6,400</u>
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**NOTE E - Inventory:**

Inventory at December 31, 2019, consist of the following:

Office supplies	<u>\$ 1,487</u>
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**NOTE F - Capital Assets:**

A summary in changes in capital assets is as follows:

	Beginning Balance <u>12/31/18</u>	Increases	Decreases	Transfers	Ending Balance <u>12/31/19</u>
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Furniture, Equipment & Machinery	<u>16,330</u>	<u>11,790</u>	<u>469</u>	<u>0</u>	<u>27,651</u>
Total Capital Assets, being depreciated	<u>16,330</u>	<u>11,790</u>	<u>469</u>	<u>0</u>	<u>27,651</u>
Less Accumulated Depreciation:	<u>( 11,772)</u>	<u>( 2,545)</u>	<u>469</u>	<u>0</u>	<u>( 13,848)</u>
Total Capital Assets, being depreciated, net	<u>4,558</u>	<u>9,245</u>	<u>0</u>	<u>0</u>	<u>13,803</u>
Capital Assets, Net	<u>\$ 4,558</u>	<u>\$ 9,245</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,803</u>

For the year ended December 31, 2019, depreciation expense in the amount of \$2,545 was recorded.

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE G - Pension Plan:**

*Plan Description*

The Housing Authority participates in a cost-sharing multiple-employer 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 Systems (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 <https://www.in.gov/inprs/actuarialvaluation.htm>.

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

*Retirement Benefits*

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

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

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit.

A member who is at least 55 years old with sum of age and vesting service equal to 85 or more is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit

In lieu of a cost of living adjustment (COLA) on January 1, 2019, members in pay were provided a 13<sup>th</sup> check on October 1, 2019.

The PERF hybrid plan also provides disability and survivor benefits.

*Contributions*

Members are required by statute to make contributions to the plan as determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. During 2019, all participating employers contributed an average of 11.2% of covered payroll. The authority's required contribution to the plan for the fiscal year ended December 31, 2019 was \$17,185. A contribution of 3% of covered payroll was contributed by the employees into the annuity savings account portion.

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE G - Pension Plan: (Continued)

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At December 31, 2019, the Housing Authority reported a liability of \$96,508 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Housing Authority's proportion of the net pension liability was based on the Housing Authority's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2019, the Housing Authority's proportion was 0.0000292, which was a decrease of 0.0000041 from its proportion measured as of June 30, 2018.

*Pension Expense*

For the year ended June 30, 2019, the Housing Authority recognized pension expense of \$8,680, 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 expected and actual experience	\$2,555	\$0
Net differences between projected and actual earnings on pension plan investments	\$0	\$4,562
Changes in assumptions	\$21	\$10,491
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$176	\$13,759
Employer contributions subsequent to the measurement date	\$7,919	\$0
<b>Total</b>	<b>\$10,671</b>	<b>\$28,812</b>

There was \$7,919 reported as deferred outflows related to pension resulting from the INPRS Employer's contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE G - Pension Plan: (Continued)

Amortization of net deferred outflows/(inflows) of resources - debit/(credit)	
2020	\$(8,899)
2021	\$(11,943)
2022	\$(4,863)
2023	\$(355)
<b>Total</b>	<b>(\$26,060)</b>

**Actuarial Assumptions**

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	June 30, 2018
Measurement Date of Net Pension Liability	June 30, 2019
Actuarial Cost Method:	Entry Age Normal - Level Percent of Payroll
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	6.75%
Discount Rate:	6.75%, net of investment expenses
Salary Increases:	
Inflation	2.25%
Productive, Merit, and Promotion	0.25-2.00%
Mortality:	RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

Actuarial assumptions are based upon an experience study completed in April 2015 using experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2015 actuarial valuation based on the results of the study. The total pension liability for June 30, 2019 is based upon a roll-forward of the liability calculated from the June 30, 2018 actuarial valuation.

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE G - Pension Plan: (Continued)

*Asset Allocation Targets and Expected Returns (as of June 30, 2019)*

<u>Asset Class</u>	Current Asset Allocation %	Target Range %
Public Equity	21.3	22.0
Private Markets	12.5	14.0
Fixed Income-Ex Inflation-Linked	20.1	20.0
Fixed Income-Inflation-Linked	7.4	7.0
Commodities	7.6	8.0
Real Estate	6.0	7.0
Absolute Return	9.6	10.0
Risk Party	13.2	12.0
Cash + Cash Overlay	2.3	N/A
Total	100%	100%

*Single 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 computer by the actuary using the assumptions and methods selected by the Board for the annual actuarial valuations.

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

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase To Discount Rate (7.75%)
Noblesville's proportionate share of the net pension liability	\$154,993	\$96,508	\$47,727

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at [https://www.in.gov/inprs/files/2019\\_INPRSCAFRBook.pdf](https://www.in.gov/inprs/files/2019_INPRSCAFRBook.pdf).

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE G - Pension Plan: (Continued)

*Payables to the Pension Plan*

At December 31, 2019, the Housing Authority reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

The Pension information is not audited.

NOTE H - Accounts payable:

Accounts payable at December 31, 2019, consist of the following:

Accounts payable - Vendors	\$ 1,439
Accounts payable - PHA Projects	<u>135</u>
Total	<u>\$ 1,574</u>

NOTE I - Accrued Liabilities:

Accrued Liabilities at December 31, 2019, consist of the following:

Accrued Wage/Payroll Taxes Payable	\$ 2,845
Accrued Compensated Absences	<u>6,147</u>
Total	<u>\$ 8,992</u>

NOTE J - Noncurrent Liabilities:

Noncurrent liabilities at December 31, 2019, consist of the following:

	<u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>	<u>Due within one year</u>	<u>Total due</u>
Net pension liability	\$ <u>113,122</u>	\$ <u>0</u>	\$ <u>16,614</u>	\$ <u>96,508</u>	\$ <u>0</u>	\$ <u>96,508</u>
Total	\$ <u>113,122</u>	\$ <u>0</u>	\$ <u>16,614</u>	\$ <u>96,508</u>	\$ <u>0</u>	\$ <u>96,508</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>\$ 1,297,873</u>
------------------------	---------------------

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, 2019.

**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.

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**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 71% of its revenues directly from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

**NOTE O - 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 August 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

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019

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

INPRS Pension Plan  
Last Ten Fiscal Years\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Noblesville Housing Authority proportion of the net pension liability	.0000358	.0000356	.0000344	.0000333	.0000292
Noblesville Housing Authority proportionate share of the net pension liability	\$145,810	\$161,569	\$153,477	\$113,122	\$96,508
Noblesville Housing Authority covered employee payroll	\$171,520	\$170,632	\$170,604	\$169,880	\$152,152
Noblesville Housing Authority proportionate share of the net pension liability as a percentage of its covered employee payroll	.85	.95	.90	.67	.63

Note: Additional year's 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, 2019

SCHEDULE OF THE NOBLESVILLE HOUSING AUTHORITY'S CONTRIBUTIONS

	INPRS Pension Plan Last Ten Fiscal Years*				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 19,210	\$ 19,210	\$ 19,107	\$ 18,883	\$ 17,185
Contributions in relation to the contractually required contribution	<u>19,210</u>	<u>19,210</u>	<u>19,107</u>	<u>18,883</u>	<u>17,185</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Noblesville Housing Authority covered employee payroll	\$171,520	\$171,520	\$170,604	\$169,880	\$152,152
Contributions as a percentage of covered employee payroll	11.0%	11.0%	11.2%	11.1%	11.3%

Note: Additional year's 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, 2019

	ACC			
	C - 2056			
	Section 8			
	Housing			
	Choice	State /		
	Vouchers	Local	Total	
<b><u>ASSETS</u></b>				
<b><u>Current Assets</u></b>				
Cash and cash equivalents	\$ 19,618	\$ 60,174	\$ 79,792	
Restricted cash and cash equivalents	17,284	139,638	156,922	
Accounts receivable, net	30,726	7,966	38,692	
Prepaid insurance	6,400	0	6,400	
Inventory	1,487	0	1,487	
<b>Total Current Assets</b>	<b>75,515</b>	<b>207,778</b>	<b>283,293</b>	
<b><u>Capital Assets:</u></b>				
Land and other non-depreciable assets	0	0	0	
Depreciable capital assets, net	13,803	0	13,803	
<b>Total Capital Assets</b>	<b>13,803</b>	<b>0</b>	<b>13,803</b>	
<b>Total Assets</b>	<b>89,318</b>	<b>207,778</b>	<b>297,096</b>	
<b><u>Deferred outflow of resources</u></b>				
Pension related	10,671	0	10,671	
<b>Total Assets and Deferred Outflow of Resources</b>	<b>99,989</b>	<b>207,778</b>	<b>307,767</b>	
<b><u>LIABILITIES</u></b>				
<b><u>Current liabilities</u></b>				
Accounts payable	1,554	20	1,574	
Accrued liabilities	8,992	0	8,992	
<b>Total Current Liabilities</b>	<b>10,546</b>	<b>20</b>	<b>10,566</b>	
<b><u>Noncurrent Liabilities</u></b>				
Net Pension Liability	96,508	0	96,508	
Accrued compensated absences	0	0	0	
<b>Total Noncurrent Liabilities</b>	<b>96,508</b>	<b>0</b>	<b>96,508</b>	
<b>Total Liabilities</b>	<b>107,054</b>	<b>20</b>	<b>107,074</b>	
<b><u>Deferred inflow of resources</u></b>				
Pension related	28,812	0	28,812	
<b><u>NET POSITION</u></b>				
Investment in capital assets	13,803	0	13,803	
Restricted	17,284	139,638	156,922	
Unrestricted	(66,964)	68,120	1,156	
<b>Total Net Position</b>	<b>\$ (35,877)</b>	<b>\$ 207,758</b>	<b>\$ 171,881</b>	

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND PROGRAM CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2019

	ACC		
	C - 2056		
	Section 8		
	Housing		
	Choice	State /	
	Vouchers	Local	Total
<b><u>OPERATING REVENUES</u></b>			
Other income	\$ 427,897	\$ 0	\$ 427,897
<b>TOTAL OPERATING REVENUE</b>	<b>427,897</b>	<b>0</b>	<b>427,897</b>
<b><u>OPERATING EXPENSES</u></b>			
Administrative	127,192	0	127,192
Tenant services	0	0	0
General expense	6,755	0	6,755
Housing assistance payments	1,549,834	0	1,549,834
Depreciation expense	2,544	0	2,544
<b>TOTAL OPERATING EXPENSES</b>	<b>1,686,325</b>	<b>0</b>	<b>1,686,325</b>
OPERATING INCOME (LOSS)	<b>(1,258,428)</b>	<b>0</b>	<b>(1,258,428)</b>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Federal operating grants	1,297,873	0	1,297,873
Interest income	408	1,849	2,257
<b>TOTAL NONOPERATING REVENUES</b>	<b>1,298,281</b>	<b>1,849</b>	<b>1,300,130</b>
<b>CHANGE IN NET POSITION</b>	<b>39,853</b>	<b>1,849</b>	<b>41,702</b>
TOTAL NET POSITION - BEGINNING OF YEAR	(75,730)	205,909	130,179
<b>NET POSITION, END OF YEAR</b>	<b>\$ (35,877)</b>	<b>\$ 207,758</b>	<b>\$ 171,881</b>

Noblesville Housing Authority (IN080)  
Noblesville, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	14,871 Housing Choice Vouchers	2 State/Local	Subtotal	Total
111 Cash - Unrestricted	\$19,618	\$60,174	\$79,792	\$79,792
112 Cash - Restricted - Modernization and Development		\$139,638	\$139,638	\$139,638
113 Cash - Other Restricted	\$17,284		\$17,284	\$17,284
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$36,902	\$199,812	\$236,714	\$236,714
121 Accounts Receivable - PHA Projects	\$18,666		\$18,666	\$18,666
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government		\$7,966	\$7,966	\$7,966
125 Accounts Receivable - Miscellaneous	\$1,060		\$1,060	\$1,060
126 Accounts Receivable - Tenants				
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery	\$98,295		\$98,295	\$98,295
128.1 Allowance for Doubtful Accounts - Fraud	-\$87,295		-\$87,295	-\$87,295
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$30,726	\$7,966	\$38,692	\$38,692
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$6,400		\$6,400	\$6,400
143 Inventories	\$1,487		\$1,487	\$1,487
143.1 Allowance for Obsolete Inventories	\$0		\$0	\$0
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$75,515	\$207,778	\$283,293	\$283,293
161 Land				
162 Buildings				
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration	\$27,651		\$27,651	\$27,651
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$13,848		-\$13,848	-\$13,848
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$13,803	\$0	\$13,803	\$13,803
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	\$13,803	\$0	\$13,803	\$13,803
200 Deferred Outflow of Resources	\$10,671		\$10,671	\$10,671
290 Total Assets and Deferred Outflow of Resources	\$99,989	\$207,778	\$307,767	\$307,767
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$1,419	\$20	\$1,439	\$1,439
313 Accounts Payable >90 Days Past Due				

321	Accrued Wage/Payroll Taxes Payable	\$2,845		\$2,845	\$2,845
322	Accrued Compensated Absences - Current Portion	\$6,147		\$6,147	\$6,147
324	Accrued Contingency Liability				
325	Accrued Interest Payable				
331	Accounts Payable - HUD PHA Programs				
332	Account Payable - PHA Projects	\$135		\$135	\$135
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	\$10,546	\$20	\$10,566	\$10,566
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352	Long-term Debt, Net of Current - Operating Borrowings				
353	Non-current Liabilities - Other				
354	Accrued Compensated Absences - Non Current				
355	Loan Liability - Non Current				
356	FASB 5 Liabilities				
357	Accrued Pension and OPEB Liabilities	\$96,508		\$96,508	\$96,508
350	Total Non-Current Liabilities	\$96,508	\$0	\$96,508	\$96,508
300	Total Liabilities	\$107,054	\$20	\$107,074	\$107,074
400	Deferred Inflow of Resources	\$28,812		\$28,812	\$28,812
508.4	Net Investment in Capital Assets	\$13,803		\$13,803	\$13,803
511.4	Restricted Net Position	\$17,284	\$139,638	\$156,922	\$156,922
512.4	Unrestricted Net Position	-\$66,964	\$68,120	\$1,156	\$1,156
513	Total Equity - Net Assets / Position	-\$35,877	\$207,758	\$171,881	\$171,881
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$99,989	\$207,778	\$307,767	\$307,767

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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	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	\$1,297,873		\$1,297,873	\$1,297,873
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	\$408	\$475	\$883	\$883
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery	\$19,292		\$19,292	\$19,292
71500 Other Revenue	\$408,605		\$408,605	\$408,605
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted	\$0	\$1,374	\$1,374	\$1,374
70000 Total Revenue	\$1,726,178	\$1,849	\$1,728,027	\$1,728,027
91100 Administrative Salaries	\$77,201		\$77,201	\$77,201
91200 Auditing Fees	\$6,362		\$6,362	\$6,362
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$88		\$88	\$88
91500 Employee Benefit contributions - Administrative	\$8,903		\$8,903	\$8,903
91600 Office Expenses	\$25,990		\$25,990	\$25,990
91700 Legal Expense				
91800 Travel	\$722		\$722	\$722
91810 Allocated Overhead				
91900 Other	\$7,138		\$7,138	\$7,138
91000 Total Operating - Administrative	\$126,404	\$0	\$126,404	\$126,404
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	\$1,090		\$1,090	\$1,090
96130 Workmen's Compensation				
96140 All Other Insurance	\$452		\$452	\$452
96100 Total insurance Premiums	\$1,542	\$0	\$1,542	\$1,542
96200 Other General Expenses	\$5,213		\$5,213	\$5,213
96210 Compensated Absences	\$788		\$788	\$788
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$6,001	\$0	\$6,001	\$6,001
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	\$133,947	\$0	\$133,947	\$133,947
97000 Excess of Operating Revenue over Operating Expenses	\$1,592,231	\$1,849	\$1,594,080	\$1,594,080
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments	\$1,167,658		\$1,167,658	\$1,167,658
97350 HAP Portability-In	\$382,176		\$382,176	\$382,176
97400 Depreciation Expense	\$2,544		\$2,544	\$2,544
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$1,686,325	\$0	\$1,686,325	\$1,686,325
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				
10050 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	\$39,853	\$1,849	\$41,702	\$41,702

11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	-\$75,730	\$205,909	\$130,179	\$130,179
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	-\$53,161		-\$53,161	-\$53,161
11180 Housing Assistance Payments Equity	\$17,284		\$17,284	\$17,284
11190 Unit Months Available	2220		2220	2220
11210 Number of Unit Months Leased	2189		2189	2189
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, 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, 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, 2019

<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	Housing Voucher Cluster Section 8 Housing Choice Voucher Program	14.871	<u>\$ 1,297,873</u>	<u>\$ 1,297,873</u>
TOTAL HUD FUNDING			<u>1,297,873</u>	<u>1,297,873</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 1,297,873</u>	<u>\$ 1,297,873</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, 2019. 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 not 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, 2019, 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 August 13, 2020.

### **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 the management of the Noblesville County Housing Authority in a separate letter dated August 13, 2020.

**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  
August 13, 2020

# 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, 2019. 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, 2019.

## 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  
August 13, 2020

NOBLESVILLE HOUSING AUTHORITY  
Noblesville, Indiana

DECEMBER 31, 2019

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 Voucher Cluster Housing Choice Voucher Program

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, 2019

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.