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August 18, 2021

Board of Directors  
Housing Authority of the City of Angola  
617 North Williams Street  
Angola, IN 46703

We have reviewed the report of the Housing Authority of the City of Angola, which was opined upon by Goldie Roberts, CPA, Independent Public Accountant, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Housing Authority of the City of Angola as of December 31, 2020 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 report is filed with this letter in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

# HOUSING AUTHORITY OF THE CITY OF ANGOLA

AUDITED FINANCIAL STATEMENTS

Angola, Indiana

December 31, 2020

*Goldie Roberts*

Certified Public Accountant

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

HOUSING AUTHORITY OF THE  
CITY OF ANGOLA

ANGOLA, INDIANA  
DECEMBER 31, 2020

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	i
<b><u>FINANCIAL STATEMENTS</u></b>	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Fund Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	7
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Schedule of the Authority's Proportionate Share of the Net Pension Liability	22
Schedule of the Authority's Contributions	23
<b><u>SUPPLEMENTAL FINANCIAL INFORMATION</u></b>	
Combining Schedule of Program Net Position	24
Combining Schedule of Program Revenues, Expenses and Changes in Fund Net Position	25
Statement and Certification of Actual Capital Fund Grant Costs-Completed Financial Data Schedule	26
Notes to Supplemental Financial Information	27
Schedule of Expenditures of Federal Awards	32
	33
<b><u>OTHER REPORTS</u></b>	
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>	34
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by Uniform Guidance	36
Schedule of Findings and Responses	38

# 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 Angola  
617 North Williams Street  
Angola, Indiana 46703

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Housing Authority of the City of Angola ("the Authority") which comprise the Statement of Net Position as of December 31, 2020, 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 Angola'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 Angola as of December 31, 2020, 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.

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 vii and Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of the Authority's Contributions on pages 22 through 23 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, 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 July 27, 2021 on my consideration of the Housing Authority of the City of Angola'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 Angola's internal control over financial reporting and compliance.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana  
July 27, 2021

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020

As management of the Angola Housing Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Angola Housing Authority.

**Overview of the Financial Statements**

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Position – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses, and Changes in Net Position reports the Authority's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows – reports the Authority's cash flows from operating, investing, capital and non-capital activities.
- Comparison of budget vs. actual – reports the Authority's actual operating revenues and expenses versus the budgeted amounts.

Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authorities finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of entity wide net position, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in them. One can think of the Authority's net position as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net position analysis will assist the reader with measuring the health or financial position of the Authority.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020  
(Continued)

Over time, significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

To fully understand the financial statements of the Housing Authority, one must start with an understanding of what the Authority actually does. The following is a brief description of the programs and services that the Authority provides for the residents of Angola, Indiana:

***Low Income Public Housing (LIPH)***

The Housing Authority owns 188 units at 2 sites in Angola, Indiana. The Authority is responsible for the management, maintenance and utilities for all units and sites. On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has a Project Expense Level, Allowable Utilities Expense Level and Audit Costs and that HUD will fund the difference between the Allowable Expenses and the amount of rents that the Authority can charge the Authority's tenants.

***Capital Fund Grant (CFP)***

This grant program is awarded by HUD on an annual basis. The purpose of these grants is to improve the Authority's sites and the management of the Authority. The Authority requisitions funds from HUD as the Authority expends funds. The Authority is permitted four years to fully expend an annual award.

**Future Events (New Business)**

There are no future events planned by the Authority that will significantly affect the Authority's Net Position either positively or negatively.

**Economic Factors Affecting Future Years**

The Authority is dependent on federal funds from the U.S. Department of Housing and Urban Development. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected. Other factors include local labor supply and demand, which can affect salary and wage rates, inflationary pressure on utility rates, supplies and other cost, and local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
 Angola, Indiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2020  
 (Continued)

**Condensed Comparative Financial Statements**

*Analysis of Entity Wide Net Position (Statement of Net Position)*

**Total Cash** for FYE 2020 was \$1,204,764 and at FYE 2019 the amount was \$1,188,955. This represents anet increase of \$15,809.

**Total capital assets, net of accumulated depreciation** increased by \$226,954 due to additions including a mower, a copier, a roofing project, fitness room conversion, fire alarm system, elevator rehab, and bathroom renovations.

**Deferred Outflows** increased by \$3,917 due to the accounting for the pension plan.

**Noncurrent Liabilities** decreased by \$154,034 primarily due to reduction of the Energy Conservation Loan, \$130,508 and Pension Liability, \$23,526.

**Deferred Inflows** increased by \$8,836 due to the accounting for the pension plan.

The table below illustrates our analysis:

<u>Category</u>	12/31/2020	12/31/2019	Change \$	Change %
Current Assets	\$ 1,458,483	\$ 1,228,866	\$ 229,617	19%
Capital Assets (Net of Depreciation)	3,265,867	3,038,913	226,954	7%
Total Assets	4,724,350	4,267,779	456,571	11%
Deferred Outflow of Resources	26,786	22,869	3,917	17%
Current Liabilities	240,024	221,143	18,881	9%
Non Current Liabilities	409,829	563,863	(154,034)	-27%
Total Liabilities	649,853	785,006	(135,153)	-17%
Deferred Inflow of Resources	39,456	30,620	8,836	29%
Unrestricted	1,227,122	989,630	237,492	24%
Restricted	-	-		
Net Investment in Capital Assets	2,834,705	2,485,392	349,313	14%
Total Net Position	\$ 4,061,827	\$ 3,475,022	\$ 586,805	17%

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
 Angola, Indiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2020  
 (Continued)

*Analysis of Entity Wide Revenues (Statement Changes in Net Position)*

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2020 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Low Income Public Housing (Program Income)	\$ 518,351
PHA Operating Grant	610,301
Capital Grants	<u>528,561</u>
Revenue Totals	<u>\$ 1,657,213</u>

**Net tenant rental** for Fiscal Year Ending December 31, 2020 was \$497,635 as compared to the total revenues for Fiscal Year Ending December 31, 2019 of \$536,410. Comparatively, Fiscal Year Ending 2020 tenant revenues decreased from Fiscal Year Ending 2019 revenues by \$48,642. This is due the occupancy rate decreasing from 98.33% in 2019, to 92.58% in 2020 and average rents decreased from \$254 in 2019, to \$244 on 2020.

**HUD PHA Grants** for 2020 was \$528,894 compared to \$494,831 received in 2019. Low Rent Program operating subsidy increased by \$34,063. Additional funding from the Cares Act legislation has been provided to the Low Rent Housing Program to aid in the preventing, preparing and responding to the COVID-19 virus. The funding received for the Low Rent Housing Program totaled \$81,407.

**Capital Grants** for 2020 was \$528,561 compared to \$216,954 received in 2019 due to increased capital activity in the current year.

The table below illustrates our analysis:

<u>Category</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Change \$</u>	<u>Change %</u>
Program Revenues:				
Tenant Revenue	\$ 503,693	\$ 552,335	\$ (48,642)	-9%
Government Operating Grants	610,301	494,831	115,470	23%
Capital Grants	528,561	216,954	311,607	144%
Other Revenue	12,143	13,903	(1,760)	-13%
Interest Income	2,515	1,296	1,219	94%
Total Revenue	\$ 1,657,213	\$ 1,279,319	\$ 377,894	30%

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020

*Analysis of Entity Wide Expenditures*

**Maintenance Costs** decreased \$12,767 primarily due to the net effect of decreases in maintenance employee benefits by \$15,845, miscellaneous contracts by \$9,156, elevator maintenance contracts by \$6,329, electrical contracts by \$2,613, maintenance labor by \$1,837, extermination contracts by \$1,163, and plumbing contracts by \$426. Maintenance materials increased by \$10,408, unit turnaround contracts by \$5,300, heating & cooling contracts by \$5,081, routine maintenance contracts by \$2,936, janitorial contracts by \$726, and garbage & trash removal contracts by \$151.

**General/Insurance Expense** decreased \$21,212 primarily due to a decrease in bad debt-tenant rents by \$20,755.

**Tenant Services Expense** increased \$2,646 primarily due to Covid-19 related purchases.

The table below illustrates our analysis:

<u>Category</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Change \$</u>	<u>Change %</u>
Administration	\$ 223,753	\$ 205,977	\$ 17,776	9%
Tenant Services	3,660	1,014	2,646	261%
Utilities	114,524	104,202	10,322	10%
Ordinary Maintenance	232,084	244,851	(12,767)	-5%
Protective Services	2,301	-	2,301	N/A
General/Insurance Expense	145,082	166,294	(21,212)	-13%
Nonroutine Maintenance	4,429	-	4,429	N/A
Depreciation	322,873	344,652	(21,779)	-6%
Interest Expense	20,088	24,296	(4,208)	-17%
Total Expenses	1,068,794	1,091,286	(22,492)	-2%
Excess (Deficiency) Before Special Item	588,419	188,033	400,386	213%
Special Item/Casualty Losses	(1,614)	-	(1,614)	N/A
Change in Net Position	586,805	188,033	398,772	212%
Net Position, Beginning of Year	3,475,022	3,286,989	188,033	6%
Net Position, End of Year	\$ 4,061,827	\$ 3,475,022	\$ 586,805	17%

**Budgetary Analysis**

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public housing is adopted on the basis of accounting prescribed by the Housing and Urban Development, which differs in some respects from generally accepted accounting principles.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
 Angola, Indiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2020

The Authority prepares a budget for each fiscal year of Capital Fund Grant Program that is approved. The Authority is permitted four years to expended these funds. Income is only recognized as funds are expended. For the purposes of this analysis, the amount budget is equal to the actual expense.

*Housing Authority Budgetary Highlights*  
 (Operating Budget)

	Budget	Actual	Variance
Tenant Revenue	\$ 486,370	\$ 497,635	\$ (11,265)
Tenant Revenue Other	7,970	6,058	1,912
HUD Operating Grants	643,151	610,301	32,850
Investment Income	1,420	2,515	(1,095)
Other Revenue	12,330	12,143	187
<b>Total Revenue</b>	<b>1,151,241</b>	<b>1,128,652</b>	<b>22,589</b>
Administrative	264,100	223,755	40,345
Tenant Services	1,060	3,660	(2,600)
Utilities	116,210	114,524	1,686
Maintenance	271,140	232,083	39,057
General Expense	140,840	147,384	(6,544)
Interest Expense	136,830	20,088	116,742
<b>Total Expenses</b>	<b>\$ 930,180</b>	<b>\$ 741,494</b>	<b>\$ 188,686</b>

\*Depreciation expense is not included in the operating budget as it is classified as a non-cash item.

ANALYSIS OF CAPITAL ASSET ACTIVITY

**Buildings & Leasehold Improvements** increased by \$318,613. This increase is primarily due to several projects, including a roofing project, fitness room conversion, fire alarm system, elevator rehab, and bathroom renovations.

**Furniture, Equipment & Machinery – Administration** decreased by \$2,092. This decrease is primarily due to the disposal of equipment, which includes a sewer cleaning machine, a commercial vacuum, and a snow thrower. There was a purchase of a mower and a copier.

**Accumulated Depreciation** increased by \$320,187.

**Construction in Progress** increased by \$891.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
 Angola, Indiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2020

<u>Category</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 826,661	\$ 826,661	\$ -	0%
Buildings	11,745,162	11,206,839	538,323	5%
Equipment	367,885	359,958	7,927	2%
Construction in Progress	217,845	216,954	891	0%
Accumulated Depreciation	(9,891,686)	(9,571,499)	(320,187)	3%
Total Net Fixed Assets	\$ 3,265,867	\$ 3,038,913	\$ 226,954	7%

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

**Long Term Debt** The authority reduced the debt related to the Energy Performance Contract by \$130,508. No other debt was incurred during the fiscal year.

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, Angola Housing Authority, Angola, Indiana.

**FINANCIAL STATEMENTS**

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF NET POSITION  
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,174,289
Restricted cash and cash equivalents	30,475
Accounts receivable, net	227,487
Prepaid insurance	15,885
Inventory, net	10,347
<b>Total Current Assets</b>	<b><u>1,458,483</u></b>

CAPITAL ASSETS

Land and other nondepreciable assets	1,044,506
Depreciable capital assets, net	2,221,361
<b>Total Capital Assets</b>	<b><u>3,265,867</u></b>

**Total Assets** **4,724,350**

Deferred outflow of resources

Pension related	<u>26,786</u>
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**Total Assets and Deferred Outflow of Resources** **4,751,136**

LIABILITIES

CURRENT LIABILITIES

Accounts payable	16,169
Accrued liabilities	46,873
Payable from restricted cash and cash equivalents:	
Tenant's security deposits	30,475
Current portion of long term debt	130,671
Unearned revenue	15,836
<b>Total Current Liabilities</b>	<b><u>240,024</u></b>

NONCURRENT LIABILITIES

Net Pension Liability	109,338
Long term debt	300,491
<b>Total Noncurrent Liabilities</b>	<b><u>409,829</u></b>

**Total Liabilities** **649,853**

Deferred inflow of resources

Pension related	<u>39,456</u>
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NET POSITION

Net investment in capital assets	2,834,705
Unrestricted	1,227,122
<b>TOTAL NET POSITION</b>	<b><u>\$ 4,061,827</u></b>

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES

Rental income, net	\$ 503,693
Other revenue	12,143
	515,836
<b>TOTAL OPERATING REVENUES</b>	<b>515,836</b>

OPERATING EXPENSES

Administrative	235,209
Tenant services	3,660
Utilities	114,524
Ordinary maintenance and operation	238,127
Protective services	2,301
General expense	153,714
Depreciation expense	322,873
	1,070,408
<b>TOTAL OPERATING EXPENSES</b>	<b>1,070,408</b>

OPERATING INCOME (LOSS)	(554,572)
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NONOPERATING REVENUES (EXPENSES)

Federal operating grants	610,301
Interest income	2,515
	612,816
<b>TOTAL NONOPERATING REVENUES</b>	<b>612,816</b>

CAPITAL CONTRIBUTIONS	528,561
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CHANGE IN NET POSITION	586,805
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NET POSITION, BEGINNING OF YEAR	3,475,022
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NET POSITION, END OF YEAR	\$ 4,061,827
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The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from residents and other deposits	\$ 715,412
Payments to suppliers	(448,179)
Payments to/for employees	<u>(290,713)</u>
 Net Cash Flows Provided (Used) by Operating Activities	  <u>(453,382)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>2,515</u>
 Net Cash Provided by Investing Activities	 <u>2,515</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants received	528,561
Capital assets purchased	<u>(549,827)</u>
 Net Cash Provided (Used) from Capital and Related Financing Activities	  <u>(21,266)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Payments on long term debt	(122,359)
Federal operating grants received	<u>610,301</u>
 Net Cash Flows Provided by Noncapital Financing Activities	  <u>487,942</u>

Net Increase (Decrease) in Cash and Cash Equivalents	15,809
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Beginning Cash and Cash Equivalents	<u>1,188,955</u>
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Ending Cash and Cash Equivalents	\$ <u><u>1,204,764</u></u>
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Reconciliation of Cash	
Unrestricted	\$ 1,174,289
Restricted	<u>30,475</u>
	\$ <u><u>1,204,764</u></u>

Continued

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(CONTINUED)

RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(554,572)
Adjustments to reconcile net operating income (loss) to net cash Provided by operating activities:		
Depreciation		322,873
(Increase) Decrease in:		
Accounts receivable		(211,719)
Prepaid expenses		(228)
Inventory		(1,861)
Increase (Decrease) in:		
Accounts payable		(5,225)
Pension related		(18,607)
Accrued liabilities		10,300
Unearned revenue		5,657
Net Cash Flows Provided (Used) by Operating Activities	\$	<u>(453,382)</u>

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

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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

The financial statements of the HOUSING AUTHORITY OF THE CITY OF ANGOLA ("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.

**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 Housing Authority of the City of Angola. 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 Angola include the following:

At December 31, 2020, the Housing Authority has 185 units under management.

<u>Project</u>	<u>Units</u>
Low Income Public Housing	<u>185</u>

The Authority is also operating Capital Fund Grant 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 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.

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:

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

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

**Net 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.

**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 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.

Budget compared to actual presentation is not presented 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 a legally binding 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 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 and non-negotiable Certificates of Deposit 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.

**Tenant Receivable** - Receivable for rentals and service charges are reported at net of an allowance for doubtful accounts. The Authority board takes monthly action as required to write off specific uncollectible accounts receivable balances.

**Prepaid** - Prepaid represent payments made to vendors for services that will benefit beyond December 31, 2020.

**Inventories** - Inventories are valued at cost, which approximates market value, using the first-in/first/out (FIFO) method. The consumption method is applied and expense is charged when inventory items are used for the units.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

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

**Capital assets** - Capital assets purchased are recorded on the Statement of Net Position at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is \$1,500 or more. 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.

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

<u>Class</u>	<u>Life</u>
Buildings and improvements	5-40 years
Maintenance and office equipment	3-10 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.

**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 costs 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 (if any) and unrestricted resources are available for use, it is the Authorities policy to use unrestricted resources first, and then restricted resources as they are needed.

**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 liability and disclosure of contingent liability at the date of the financial statements and report amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Leasing Activities (as Lessor)** - The Authority is the lessor of dwelling units primarily 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 scheduled as "Rental income". Rental income per resident generally remains consistent from year to year, but is affected by general economic conditions which impact person income, such as local job availability.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

**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. 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.

Deposits, made in accordance with State statute (IC 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.

**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, 2020, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

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

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

At December 31, 2020, the carrying amount of the Authority's deposits was \$1,204,964 and the bank balance was \$1,188,955. 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 account	\$ 956,547
Money Market Account, Savings and Cert. of Deposit	<u>248,217</u>
Total	<u>\$ 1,204,764</u>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

**NOTE C - Accounts Receivable:**

Accounts receivable at December 31, 2020, consist of the following:

HUD Receivable	\$ 210,032
Tenants, Net of allowance \$20,342	16,779
Interest Receivable	<u>676</u>
 Total	 <u>\$ 227,487</u>

**NOTE D - Prepaid Expense:**

Prepaid expenses at December 31, 2020, consists of the following:

Prepaid insurance and other expenses	<u>\$ 15,885</u>
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**NOTE E - Inventory:**

Inventory at December 31, 2020, consists of the following:

Materials and supplies, Net of Allowance of \$1,150	<u>\$ 10,347</u>
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Materials inventories are recorded at cost. The FIFO inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

**NOTE F - Capital Assets:**

A summary of changes in capital assets is as follows:

	Beginning Balance 12/31/19	Increases	Decreases	Transfers	Ending Balance 12/31/20
Capital assets, not being depreciated:					
Land	\$ 826,661	\$ 0	\$ 0	\$ 0	\$ 826,661
Construction in Progress	<u>216,954</u>	<u>550,750</u>	<u>(23,465)</u>	<u>(526,394)</u>	<u>217,845</u>
Total Capital Assets, Not being depreciated	<u>1,043,615</u>	<u>550,750</u>	<u>(23,465)</u>	<u>(526,394)</u>	<u>1,044,506</u>
Capital Assets, being depreciated:					
Buildings & Improvements	11,206,839	11,930	0	526,394	11,745,163
Furniture, Equipment & Machinery	<u>359,958</u>	<u>10,633</u>	<u>(2,706)</u>	<u>0</u>	<u>367,885</u>
Total Capital Assets, being depreciated	<u>11,566,796</u>	<u>22,563</u>	<u>(2,706)</u>	<u>526,394</u>	<u>12,113,047</u>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

**NOTE F - Capital Assets:** (Continued)

Less Accumulated Depreciation for:					
Buildings & Improvements	(9,298,117)	(309,874)	0	0	( 9,607,991)
Furniture, Equipment and Machinery	<u>(273,383)</u>	<u>(12,997)</u>	<u>2,685</u>	<u>0</u>	<u>( 283,695)</u>
Total Accumulated Depreciation:	<u>(9,571,499)</u>	<u>(322,871)</u>	<u>2,685</u>	<u>0</u>	<u>( 9,891,686)</u>
Total Capital Assets, being depreciated, net	<u>1,995,297</u>	<u>(300,308)</u>	<u>(21)</u>	<u>526,394</u>	<u>2,221,361</u>
Capital Assets, Net	<u>\$ 3,038,912</u>	<u>\$ 250,442</u>	<u>\$ (23,486)</u>	<u>\$ 0</u>	<u>\$ 3,265,867</u>

Depreciation expenses of \$322,871 was incurred during the year.

**NOTE G- Pension Plan:**

***Description of Pension Plan***

The Housing Authority of the City of Angola (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/publications/annual-reports](http://www.in.gov/inprs/publications/annual-reports).

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

***Benefits Provided***

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.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Continued)

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

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

A member who is at least 55 years old and has age plus number of years of creditable service of at least 85 is entitled to 100% of the benefits described above.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA provided for the year ended June 30, 2020; however, eligible members received a service based 13<sup>th</sup> check in 2020 and 2021 fiscal years.

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 fiscal year 2020, all participating employers contributed an average rate of 11.2% of covered payroll. The Authority's required contribution to the plan for the fiscal year ended December 31, 2020 was \$21,564. A contribution of 3% of covered payroll was contributed by the employees into the annuity savings account portion.

***Employer Allocations***

Wages reported by employers relative to the collective wages of the plan serve as the basis to determine the employer's proportionate share. The basis of allocation measures the proportionate relationship of an employer to all employers, and is consistent with the manner in which contributions to the pension plan are determined.

At June 30, 2020, the Authority's proportionate share was 0.0000362.

***Net Pension Liability***

At June 30, 2020, the Authority reported a liability of \$109,338. The proportionate share of the liability as of June 30, 2019 was \$132,864.

***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of June 30, 2020, was determined using member census data as of June 30, 2019 and adjusted, as appropriate to reflect changes between June 30, 2019 and June 30, 2020. The valuation results from June 30, 2019 were rolled to June 30, 2020 to reflect benefits accruals during the year less benefits paid. Key methods and assumptions used in calculating the total pension liability are presented below:

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
 Angola, Indiana  
NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020  
 (Continued)

NOTE G- Pension Plan: (Continued)

Price inflation	2.25%
Cost of Living Increases	2020-2021 - 13th check Jan. 1, 2022 - .40% Jan. 1, 2034 - .50% Jan. 1, 2039 - .6%
Salary increases, including wage increases	2.75% -8.75%
Experience Study Date	Period of five years ended June 30, 2020
Long-Term rate of return, net of investment expense, and including price inflation	6.75%

Mortality assumption (healthy) rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality (Healthy)            General employee table with a 3 year set forward for males and a 1 year set forward for females.

Mortality (Retirees)        General retiree table with a 3 year set forward for males and a 1 year set forward for females.

Mortality (Beneficiaries) Contingent survivor table with no set forward for males and a 2 year set forward for females.

Mortality (Disabled)        General disabled table with a 140% load.

*Changes in Actuarial Assumptions*

The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

NOTE G- Pension Plan: (Continued)

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

The actuarial assumptions and methods used in the June 30, 2020 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2020, and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at [https://www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](https://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

NOTE G- Pension Plan: (Continued)

The following DB global asset classes, target allocations and target ranges were approved by the Board on October 23, 2015 based on a formal asset-liability study and shall remain in place until revised by the Board. An asset-liability study is conducted every five years. Further information regarding the Investment Policy Statement can be found in the Investment Section.

Asset Class	Actual Allocations	Target Range
Public equity	22.0%	19.5 to 24.5%
Private Markets	14.0%	10.0 to 18.0
Fixed Income-Ex Inflation-Linked	20.0%	17.0 to 23.0
Fixed Income - Inflation-Linked	7.0%	4.0 to 10.0
Real estate	7.0%	3.5 to 10.5
Commodities	8.0%	6.0 to 10.0
Absolute Return	10.0%	6.0 to 14.0
Risk Parity	12.0%	7.0 to 17.0
<b>Total</b>	<b>100%</b>	

**Discount Rate**

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

NOTE G- Pension Plan: (Continued)

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

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

1% Decrease (5.75%)	Discount rate (6.75%)	1% Increase (7.75%)
\$178,259	\$109,338	\$51,612

***Pension Expense***

For the year ended December 31, 2020, the Housing Authority recognized pension expense of \$31,491, 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	\$1,937	\$1,468
Net differences between projected and actual investment earnings on pension plan investments	\$9,358	\$0
Change of assumptions	\$0	\$22,782
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$4,852	\$15,206
Contributions made after plan year end (measurement date)	\$10,639	\$0
<b>Total</b>	<b>\$26,786</b>	<b>\$39,456</b>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

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

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)	
2021	\$(16,466)
2022	\$(5,829)
2023	\$(4,989)
2024	\$3,975
2025	\$0
Thereafter	\$0
Total	\$(23,309)

The pension plan information presented above has not been audited.

**NOTE H - Accounts Payable:**

Accounts payable at December 31, 2020, consist of the following:

Vendor Accounts Payable	<u>\$ 16,169</u>
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**NOTE I - Accrued Liabilities:**

Accrued liabilities at December 31, 2020, consist of the following:

Accrued wage payable	\$ 8,166
Payment in lieu of taxes	<u>38,707</u>
Total	<u>\$ 46,873</u>

**NOTE J - Unearned Revenue:**

Unearned revenue at December 31, 2020, consist of the following:

Prepaid rent	<u>\$ 15,836</u>
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HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

**NOTE K - Notes Payable:**

Notes Payable at December 31, 2020, consist of the following:

The mortgage is payable to the FCN Bank, National Associates and bears interest at 4.558% per annum over 10 years. Monthly payments are from \$9,601 to \$13,543 per month. The mortgage note is secured by the Project. The final payment is due December 2023. The balance due is \$431,162.

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	130,671	16,761	147,432
2022	142,022	10,570	152,592
2023	158,469	3,855	162,324
Total	<u>\$ 431,162</u>	<u>\$ 31,186</u>	<u>\$ 462,348</u>

	<u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/20</u>
Change in Debt	<u>\$ 553,520</u>	<u>\$ 0</u>	<u>\$ 122,359</u>	<u>\$ 431,162</u>

**NOTE L - 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 December 31, 2020 were as follows:

Low Rent Public Housing	\$ 528,894
Low Rent Public Housing (CARES Act)	81,407
Capital Fund Program	<u>-----</u>
Total	<u>\$ 610,301</u>

**NOTE M - Federal Capital Grants:**

The Authority receives federal capital grants from HUD for capital fund program improvements. Capital grants recognized for the fiscal year ended December 31, 2020 were \$528,561.

**NOTE N - Commitments and Contingencies:**

**Litigation:** At December 31, 2020, the Authority was not involved in any threatened litigation. The Authority has not used an attorney.

**Examination:** The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, law 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, 2020.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(Continued)

**NOTE N - Commitments and Contingencies:** (Continued)

**Grant Disallowances:** Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, would constitute a liability of the Authority. 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:** Currently, there is an elevator modernization project and an asphalt/concrete project in progress at December 31, 2020. Current construction in progress is \$217,845.

**NOTE O - 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 P - Economic Dependency:**

The Authority receives approximately 54% of its operating revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

**NOTE Q - Conduit Type Debt:**

Debt related to the original acquisition and early modernization of the public housing development is funded, guaranteed and serviced by 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 Authority.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Continued)

**NOTE R - 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 July 27, 2021 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.

The Housing Authority's operations may be affected by the recent and ongoing outbreak of the coronavirus disease (Covid-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption may cause an adverse impact on the Housing Authority's financial position, operations and cash flows. Possible effects may include, the reduction of tenant's dwelling rent due to the increased unemployment, absenteeism in the Housing Authority's workforce, unavailability of products and supplies, and reduced accessibility to contractors.

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

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

INPRS Pension Plan Last Ten Fiscal Years*		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Housing Authority of the City of Angola proportion of the net pension liability		N/A	.0000079	.0000534	.0000423	.0000377	.0000402	.0000362
Housing Authority of the City of Angola proportionate share of the net pension liability	\$ 117,731	\$ 187,761	\$ 242,353	\$ 188,723	\$ 128,069	\$ 132,864	\$109,338	
Housing Authority of the City of Angola covered employee payroll	\$ 226,962	\$ 202,290	\$ 211,330	\$ 209,624	\$ 192,124	\$ 209,702	\$164,634	
Housing Authority of the City of Angola proportionate share of the net pension liability as a percentage of its covered employee payroll	51.8726%	92.8177%	146.799%	90.0292%	66.6595%	63.3585%	66.4128%	

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 ANGOLA  
Angola, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE HOUSING AUTHORITY OF THE CITY OF ANGOLA CONTRIBUTIONS

INPRS Pension Plan  
Last Ten Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 30,992	\$ 187,761	\$ 26,564	\$ 24,410	\$ 21,518	\$ 23,487	\$ 21,564
Contributions in relation to the contractually required contribution	<u>\$ 30,992</u>	<u>\$ 187,761</u>	<u>\$ 26,564</u>	<u>\$ 24,410</u>	<u>\$ 21,518</u>	<u>\$ 23,487</u>	<u>\$ 21,564</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Housing Authority of the City of Angola covered employee payroll	\$ 226,962	\$ 202,290	\$ 211,330	\$ 209,624	\$ 192,124	\$ 209,702	\$ 164,634
Contributions as a percentage of covered employee payroll	13.655%	14.2%	12.6%	11.6%	11.2%	11.2%	13.1%

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 ANGOLA  
Angola, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION  
DECEMBER 31, 2020

	A C C		Total
	C-543	C-543	
	Low Income Public Housing & Cares Act	Capital Fund Programs	
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	\$ 1,174,289	\$ 0	\$ 1,174,289
Restricted cash and cash equivalents	30,475	0	30,475
Accounts receivable, net	227,487	0	227,487
Prepaid insurance	15,885	0	15,885
Inventory, net	10,347	0	10,347
<b>Total Current Assets</b>	<b>1,458,483</b>	<b>0</b>	<b>1,458,483</b>
<b><u>CAPITAL ASSETS</u></b>			
Land and other nondepreciable assets	1,044,506	0	1,044,506
Depreciable capital assets, net	2,221,361	0	2,221,361
<b>Total Capital Assets</b>	<b>3,265,867</b>	<b>0</b>	<b>3,265,867</b>
<b>Total Assets</b>	<b>4,724,350</b>	<b>0</b>	<b>4,724,350</b>
<b><u>Deferred outflow of resources</u></b>			
Pension related	26,786	0	26,786
<b>Total Assets and Deferred Outflow of Resources</b>	<b>4,751,136</b>	<b>0</b>	<b>4,751,136</b>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable	16,169	0	16,169
Accrued liabilities	46,873	0	46,873
Payable from restricted cash and cash equivalents:			
Tenant's security deposits	30,475	0	30,475
Current portion of long term debt	130,671	0	130,671
Unearned revenue	15,836	0	15,836
<b>Total Current Liabilities</b>	<b>240,024</b>	<b>0</b>	<b>240,024</b>
<b><u>NONCURRENT LIABILITIES</u></b>			
Net pension liability	109,338	0	109,338
Long term debt	300,491	0	300,491
<b>Total Noncurrent Liabilities</b>	<b>409,829</b>	<b>0</b>	<b>409,829</b>
<b>Total Liabilities</b>	<b>649,853</b>	<b>0</b>	<b>649,853</b>
<b><u>Deferred inflow of resources</u></b>			
Pension related	39,456	0	39,456
<b><u>NET POSITION</u></b>			
Net investment in capital assets	2,834,705	0	2,834,705
Unrestricted	1,227,122	0	1,227,122
<b>TOTAL NET POSITION</b>	<b>\$ 4,061,827</b>	<b>\$ 0</b>	<b>\$ 4,061,827</b>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020

	C-543	C-543	
	Low		
	Income Public	Capital	
	Housing &	Fund	
	Cares Act	Programs	Total
<b><u>OPERATING REVENUES</u></b>			
Rental income, net	\$ 503,693	\$ 0	\$ 503,693
Other revenue	12,143	0	12,143
<b>TOTAL OPERATING REVENUES</b>	<b>515,836</b>	<b>0</b>	<b>515,836</b>
<b><u>OPERATING EXPENSES</u></b>			
Administrative	235,209	0	235,209
Tenant Services	3,660	0	3,660
Utilities	114,524	0	114,524
Ordinary maintenance and operation	238,127	0	238,127
Protective services	2,301	0	2,301
General expense	153,714	0	153,714
Depreciation expense	322,873	0	322,873
<b>TOTAL OPERATING EXPENSES</b>	<b>1,070,408</b>	<b>0</b>	<b>1,070,408</b>
OPERATING INCOME (LOSS)	<b>(554,572)</b>	<b>0</b>	<b>(554,572)</b>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Federal operating grants	608,922	1,379	610,301
Interest income	2,515	0	2,515
<b>TOTAL NONOPERATING REVENUES</b>	<b>611,437</b>	<b>1,379</b>	<b>612,816</b>
CAPITAL CONTRIBUTIONS	0	528,561	528,561
CHANGE IN NET POSITION	<b>56,865</b>	<b>529,940</b>	<b>586,805</b>
NET POSITION, BEGINNING OF YEAR, as originally stated	3,475,022	0	3,475,022
Transfers	529,940	(529,940)	0
NET POSITION, BEGINNING OF YEAR, year as restated	4,004,962	(529,940)	3,475,022
NET POSITION, END OF YEAR	<b>\$ 4,061,827</b>	<b>\$ 0</b>	<b>\$ 4,061,827</b>

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS - COMPLETED

DECEMBER 31, 2020

Annual Contributions Contract C-543

501-18

1. The Capital Fund Grant Costs are as follows:

Funds Approved	\$	325,515
Funds Expended		<u>325,515</u>
Excess / (Deficiency) of Funds Approved	\$	<u><u>0</u></u>
Funds Advanced	\$	325,515
Funds Expended		<u>325,515</u>
Excess / (Deficiency) of Funds Advanced	\$	<u><u>0</u></u>

2. Costs additions totaling \$ 319,908 were made during the current audit period and, accordingly, were audited by Goldie Roberts, CPA.

3. The total amount of the Capital Fund Grant Costs at December 31, 2020 as shown above are in agreement with the Actual Development Cost Certificate submitted to HUD and approved by HUD.

4. All Capital Fund Grant 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.

Housing Authority of the City of Angola (IN039)  
ANGOLA, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$926,072		\$926,072	\$0	\$926,072
112 Cash - Restricted - Modernization and Development	\$0		\$0	\$0	\$0
113 Cash - Other Restricted	\$0		\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$30,475		\$30,475	\$0	\$30,475
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0	\$0	\$0
100 Total Cash	\$956,547	\$0	\$956,547	\$0	\$956,547
121 Accounts Receivable - PHA Projects	\$0		\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$208,654	\$1,378	\$210,032	\$0	\$210,032
124 Accounts Receivable - Other Government	\$0		\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0		\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$37,121		\$37,121	\$0	\$37,121
126.1 Allowance for Doubtful Accounts - Tenants	-\$20,342		-\$20,342	\$0	-\$20,342
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0		\$0	\$0	\$0
128 Fraud Recovery	\$0		\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0	\$0	\$0
129 Accrued Interest Receivable	\$676		\$676	\$0	\$676
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$225,109	\$1,378	\$227,487	\$0	\$227,487
131 Investments - Unrestricted	\$248,217		\$248,217	\$0	\$248,217
132 Investments - Restricted	\$0		\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0		\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$15,885		\$15,885	\$0	\$15,885
143 Inventories	\$11,497		\$11,497	\$0	\$11,497
143.1 Allowance for Obsolete Inventories	-\$1,150		-\$1,150	\$0	-\$1,150
144 Inter Program Due From	\$1,378		\$1,378	-\$1,378	\$0
145 Assets Held for Sale	\$0		\$0	\$0	\$0
150 Total Current Assets	\$1,458,483	\$1,378	\$1,459,861	-\$1,378	\$1,458,483
161 Land	\$826,661		\$826,661	\$0	\$826,661
162 Buildings	\$11,745,162		\$11,745,162	\$0	\$11,745,162
163 Furniture, Equipment & Machinery - Dwellings	\$195,635		\$195,635	\$0	\$195,635
164 Furniture, Equipment & Machinery - Administration	\$172,250		\$172,250	\$0	\$172,250
165 Leasehold Improvements	\$0		\$0	\$0	\$0
166 Accumulated Depreciation	-\$9,891,686		-\$9,891,686	\$0	-\$9,891,686
167 Construction in Progress	\$217,845		\$217,845	\$0	\$217,845
168 Infrastructure	\$0		\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,265,867	\$0	\$3,265,867	\$0	\$3,265,867
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0		\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0		\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0		\$0	\$0	\$0
174 Other Assets	\$0		\$0	\$0	\$0
176 Investments in Joint Ventures	\$0		\$0	\$0	\$0
180 Total Non-Current Assets	\$3,265,867	\$0	\$3,265,867	\$0	\$3,265,867
200 Deferred Outflow of Resources	\$26,786		\$26,786	\$0	\$26,786
290 Total Assets and Deferred Outflow of Resources	\$4,751,136	\$1,378	\$4,752,514	-\$1,378	\$4,751,136
311 Bank Overdraft	\$0		\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$6,118		\$6,118	\$0	\$6,118
313 Accounts Payable >90 Days Past Due	\$0		\$0	\$0	\$0

321	Accrued Wage/Payroll Taxes Payable	\$8,166		\$8,166	\$0	\$8,166
322	Accrued Compensated Absences - Current Portion	\$0		\$0	\$0	\$0
324	Accrued Contingency Liability	\$0		\$0	\$0	\$0
325	Accrued Interest Payable	\$0		\$0	\$0	\$0
331	Accounts Payable - HUD PHA Programs	\$0		\$0	\$0	\$0
332	Account Payable - PHA Projects	\$0		\$0	\$0	\$0
333	Accounts Payable - Other Government	\$38,707		\$38,707	\$0	\$38,707
341	Tenant Security Deposits	\$30,475		\$30,475	\$0	\$30,475
342	Unearned Revenue	\$15,836		\$15,836	\$0	\$15,836
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$130,671		\$130,671	\$0	\$130,671
344	Current Portion of Long-term Debt - Operating Borrowings	\$0		\$0	\$0	\$0
345	Other Current Liabilities	\$0		\$0	\$0	\$0
346	Accrued Liabilities - Other	\$10,051		\$10,051	\$0	\$10,051
347	Inter Program - Due To	\$0	\$1,378	\$1,378	-\$1,378	\$0
348	Loan Liability - Current	\$0		\$0	\$0	\$0
310	Total Current Liabilities	\$240,024	\$1,378	\$241,402	-\$1,378	\$240,024
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$300,491		\$300,491	\$0	\$300,491
352	Long-term Debt, Net of Current - Operating Borrowings	\$0		\$0	\$0	\$0
353	Non-current Liabilities - Other	\$0		\$0	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$0		\$0	\$0	\$0
355	Loan Liability - Non Current	\$0		\$0	\$0	\$0
356	FASB 5 Liabilities	\$0		\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$109,338		\$109,338	\$0	\$109,338
350	Total Non-Current Liabilities	\$409,829	\$0	\$409,829	\$0	\$409,829
300	Total Liabilities	\$649,853	\$1,378	\$651,231	-\$1,378	\$649,853
400	Deferred Inflow of Resources	\$39,456		\$39,456		\$39,456
508.4	Net Investment in Capital Assets	\$2,834,705	\$0	\$2,834,705		\$2,834,705
511.4	Restricted Net Position	\$0	\$0	\$0		\$0
512.4	Unrestricted Net Position	\$1,227,122	\$0	\$1,227,122		\$1,227,122
513	Total Equity - Net Assets / Position	\$4,061,827	\$0	\$4,061,827	\$0	\$4,061,827
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,751,136	\$1,378	\$4,752,514	-\$1,378	\$4,751,136

Housing Authority of the City of Angola (IN039)  
ANGOLA, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$497,635		\$497,635	\$0	\$497,635
70400 Tenant Revenue - Other	\$6,058		\$6,058	\$0	\$6,058
70500 Total Tenant Revenue	\$503,693	\$0	\$503,693	\$0	\$503,693
70600 HUD PHA Operating Grants	\$528,894	\$81,407	\$610,301	\$0	\$610,301
70810 Capital Grants	\$528,561		\$528,561	\$0	\$528,561
70710 Management Fee			\$0	\$0	\$0
70720 Asset Management Fee			\$0	\$0	\$0
70730 Book Keeping Fee			\$0	\$0	\$0
70740 Front Line Service Fee			\$0	\$0	\$0
70750 Other Fees			\$0	\$0	\$0
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants	\$0		\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$2,515		\$2,515	\$0	\$2,515
71200 Mortgage Interest Income	\$0		\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0		\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0		\$0	\$0	\$0
71400 Fraud Recovery	\$0		\$0	\$0	\$0
71500 Other Revenue	\$12,143		\$12,143	\$0	\$12,143
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0	\$0	\$0
72000 Investment Income - Restricted	\$0		\$0	\$0	\$0
70000 Total Revenue	\$1,575,806	\$81,407	\$1,657,213	\$0	\$1,657,213
91100 Administrative Salaries	\$75,497	\$40,724	\$116,221	\$0	\$116,221
91200 Auditing Fees	\$5,497		\$5,497	\$0	\$5,497
91300 Management Fee	\$0		\$0	\$0	\$0
91310 Book-keeping Fee	\$0		\$0	\$0	\$0
91400 Advertising and Marketing	\$1,714		\$1,714	\$0	\$1,714
91500 Employee Benefit contributions - Administrative	\$40,961		\$40,961	\$0	\$40,961
91600 Office Expenses	\$23,334	\$6,114	\$29,448	\$0	\$29,448
91700 Legal Expense	\$3,057		\$3,057	\$0	\$3,057
91800 Travel	\$400		\$400	\$0	\$400
91810 Allocated Overhead	\$0		\$0	\$0	\$0
91900 Other	\$26,455		\$26,455	\$0	\$26,455
91000 Total Operating - Administrative	\$176,915	\$46,838	\$223,753	\$0	\$223,753
92000 Asset Management Fee	\$0		\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0		\$0	\$0	\$0
92200 Relocation Costs	\$0		\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0		\$0	\$0	\$0
92400 Tenant Services - Other	\$1,088	\$2,572	\$3,660	\$0	\$3,660
92500 Total Tenant Services	\$1,088	\$2,572	\$3,660	\$0	\$3,660
93100 Water	\$7,849		\$7,849	\$0	\$7,849
93200 Electricity	\$68,020		\$68,020	\$0	\$68,020
93300 Gas	\$20,324		\$20,324	\$0	\$20,324
93400 Fuel	\$0		\$0	\$0	\$0
93500 Labor	\$0		\$0	\$0	\$0
93600 Sewer	\$18,331		\$18,331	\$0	\$18,331
93700 Employee Benefit Contributions - Utilities	\$0		\$0	\$0	\$0
93800 Other Utilities Expense	\$0		\$0	\$0	\$0
93000 Total Utilities	\$114,524	\$0	\$114,524	\$0	\$114,524

94100 Ordinary Maintenance and Operations - Labor	\$68,816	\$31,997	\$100,813	\$0	\$100,813
94200 Ordinary Maintenance and Operations - Materials and Other	\$46,296		\$46,296	\$0	\$46,296
94300 Ordinary Maintenance and Operations Contracts	\$58,300		\$58,300	\$0	\$58,300
94500 Employee Benefit Contributions - Ordinary Maintenance	\$26,675		\$26,675	\$0	\$26,675
94000 Total Maintenance	\$200,087	\$31,997	\$232,084	\$0	\$232,084
95100 Protective Services - Labor	\$0		\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$2,109		\$2,109	\$0	\$2,109
95300 Protective Services - Other	\$192		\$192	\$0	\$192
95500 Employee Benefit Contributions - Protective Services	\$0		\$0	\$0	\$0
95000 Total Protective Services	\$2,301	\$0	\$2,301	\$0	\$2,301
96110 Property Insurance	\$41,024		\$41,024	\$0	\$41,024
96120 Liability Insurance	\$12,216		\$12,216	\$0	\$12,216
96130 Workmen's Compensation	\$3,354		\$3,354	\$0	\$3,354
96140 All Other Insurance	\$8,390		\$8,390	\$0	\$8,390
96100 Total insurance Premiums	\$64,984	\$0	\$64,984	\$0	\$64,984
96200 Other General Expenses	\$18,745		\$18,745	\$0	\$18,745
96210 Compensated Absences	\$11,456		\$11,456	\$0	\$11,456
96300 Payments in Lieu of Taxes	\$38,707		\$38,707	\$0	\$38,707
96400 Bad debt - Tenant Rents	\$11,190		\$11,190	\$0	\$11,190
96500 Bad debt - Mortgages	\$0		\$0	\$0	\$0
96600 Bad debt - Other	\$0		\$0	\$0	\$0
96800 Severance Expense	\$0		\$0	\$0	\$0
96000 Total Other General Expenses	\$80,098	\$0	\$80,098	\$0	\$80,098
96710 Interest of Mortgage (or Bonds) Payable	\$20,088		\$20,088	\$0	\$20,088
96720 Interest on Notes Payable (Short and Long Term)	\$0		\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0		\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$20,088	\$0	\$20,088	\$0	\$20,088
96900 Total Operating Expenses	\$660,085	\$81,407	\$741,492	\$0	\$741,492
97000 Excess of Operating Revenue over Operating Expenses	\$915,721	\$0	\$915,721	\$0	\$915,721
97100 Extraordinary Maintenance	\$4,429		\$4,429	\$0	\$4,429
97200 Casualty Losses - Non-capitalized	\$1,614		\$1,614	\$0	\$1,614
97300 Housing Assistance Payments	\$0		\$0	\$0	\$0
97350 HAP Portability-In	\$0		\$0	\$0	\$0
97400 Depreciation Expense	\$322,873		\$322,873	\$0	\$322,873
97500 Fraud Losses	\$0		\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0		\$0	\$0	\$0
90000 Total Expenses	\$989,001	\$81,407	\$1,070,408	\$0	\$1,070,408
10010 Operating Transfer In	\$0		\$0	\$0	\$0
10020 Operating transfer Out	\$0		\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0		\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0		\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0		\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0		\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0		\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0		\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0		\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0		\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$586,805	\$0	\$586,805		\$586,805

11020	Required Annual Debt Principal Payments	\$122,359	\$0	\$122,359		\$122,359
11030	Beginning Equity	\$3,475,022	\$0	\$3,475,022	\$0	\$3,475,022
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$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	2196		2196	0	2196
11210	Number of Unit Months Leased	2033		2033	0	2033
11270	Excess Cash	\$1,137,220		\$1,137,220		\$1,137,220
11610	Land Purchases	\$0		\$0		\$0
11620	Building Purchases	\$535,567		\$535,567		\$535,567
11630	Furniture & Equipment - Dwelling Purchases	\$0		\$0		\$0
11640	Furniture & Equipment - Administrative Purchases	\$10,612		\$10,612		\$10,612
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 ANGOLA  
Angola, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/ Pass-Through Grantor</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<b><u>Federal Awards</u></b>			
Public & Indian Housing	14.850	C-543	\$ 528,894
Public Housing Capital Fund	14.872	C-543	528,561
Cares Act Funding	14.PHC	C-543	<u>81,407</u>
<b>TOTAL U.S. DEPARTMENT OF HUD</b>			<b><u>\$ 1,138,862</u></b>

**Note 1 Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Housing Authority of the City of Angola under programs of the federal government for the year ended December 31, 2020. 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 Housing Authority of the City of Angola, it is not intended to and does not present the financial position, changes in net position or cash flow of Housing Authority of the City of Angola.

**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 Housing Authority of the City of Angola 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  
Housing Authority of the City of Angola  
617 North Williams Street  
Angola, Indiana 46703

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 Angola, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Angola's basic financial statements and have issued my report thereon dated July 27, 2021.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Housing Authority of the City of Angola'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 Angola's internal control. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the City of Angola'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 Angola'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  
July 27, 2021

# Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

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

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the City of Angola  
617 North Williams Street  
Angola, Indiana 46703

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

I have audited the Housing Authority of the City of Angola'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 Housing Authority of the City of Angola's major federal programs for the year ended December 31, 2020. The Housing Authority of the City of Angola'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 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 Housing Authority of the City of Angola'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 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 Housing Authority of the City of Angola's compliance with those requirements and performing such other procedures as I 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 Housing Authority of the City of Angola's compliance.

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

In my opinion, the Housing Authority of the City of Angola, 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, 2020.

#### **Report on Internal Control Over Compliance**

Management of the Housing Authority of the City of Angola 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 Housing Authority of the City of Angola'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 Housing Authority of the City of Angola'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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana  
July 27, 2021

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

DECEMBER 31, 2020

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:

CFDA Number

Name of Federal Program

14.850

Public & Indian Housing

14.872

Public Housing Capital Fund

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_yes    X no

HOUSING AUTHORITY OF THE CITY OF ANGOLA  
Angola, Indiana

DECEMBER 31, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

STATUS OF PRIOR AUDIT FINDINGS

There were no prior year findings.

CURRENT YEAR FINDINGS

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.