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December 9, 2021

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

We have reviewed the audit report of Noblesville Housing Authority, which was opined upon by Barry E. Gaudette, CPA, PC, 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 the Noblesville Housing Authority, 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, Barry E. Gaudette, CPA, PC, prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

**NOBLESVILLE HOUSING AUTHORITY
HAMILTON COUNTY, INDIANA
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020
AND
REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

NOBLESVILLE HOUSING AUTHORITY
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DECEMBER 31, 2020

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INTRODUCTION

Independent Auditor's Report

Board of Commissioners
Noblesville Housing Authority
Hamilton County, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Noblesville Housing Authority, Indiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Noblesville Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Noblesville Housing Authority, Indiana, as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Noblesville Housing Authority, Indiana's basic financial statements. The financial data schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedule on pages 32-35 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management has not presented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2021, on our consideration of the Noblesville Housing Authority, Indiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Noblesville Housing Authority, Indiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Noblesville Housing Authority, Indiana's internal control over financial reporting and compliance.

Barry E. Gaudette, CPA, PC

July 21, 2021

Noblesville Housing Authority
Management’s Discussion and Analysis (MD&A)
December 31, 2020
(Unaudited)

As management of the Noblesville Housing Authority, we offer reviewers of this audit report this narrative discussion and analysis of the Noblesville Housing Authority’s financial activities for the fiscal year ended December 31, 2020. This discussion and analysis letter of the Noblesville Housing Authority’s financial performance should be read in conjunction with the auditor’s opinion letter and the following financial statements.

The combined financial statements reflect all of the Housing Authority’s federally funded programs and activities in one place. The Housing Authority reports all its activities and programs using the Enterprise Fund type model. HUD encourages PHAs to use this accounting method as it is normally used to account for “business-type activities” – activities similar to those found in the private sector. Enterprise Fund types use the accrual method of accounting, the same accounting method employed by most private-sector businesses. Under this method, revenues and expenditures may be reported as such even though no cash transaction has actually taken place.

FINANCIAL HIGHLIGHTS

The term “net position” refers to the difference between assets and liabilities. The Housing Authority’s total net position as of December 31, 2020 was \$213,856. The net position increased by \$41,975, an increase of 24.4% over the prior year.

Revenues and contributions for the Housing Authority were \$1,835,546 for the year ended December 31, 2020. This was an increase of \$107,519 or 6.2% over the prior year.

Expenses for the Housing Authority were \$1,803,231 for the year ended December 31, 2020. This was an increase of \$116,906 or 6.9% over the prior year.

HUD operating grants were \$1,471,633 for the year ended December 31, 2020. This was an increase of \$173,760 or 13.4% over the prior year, of which \$115,625 was for the HCV CARES Act grant.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains this *Management & Discussion Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. The Housing Authority’s financial statements are presented as fund financial statements because the Housing Authority only has proprietary funds.

Noblesville Housing Authority
Management's Discussion and Analysis (MD&A)
December 31, 2020
(Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Required Financial Statements

The *Statement of Net Position* includes the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Housing Authority creditors (liabilities). It also provides the basis for evaluating the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the *Statement of Cash Flows*. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. HUD has established Uniform Financial Reporting Standards that require Housing Authorities to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) and is required to be included in the audit reporting package.

FUND STATEMENTS

The Financial Data Schedule reports the Housing Authority's operations in more detail. The Housing Authority reports all its activities using Enterprise fund types. These funds are used to show activities that operate more like commercial enterprises. The Financial Data Schedule is organized by the government Catalogue of Financial Domestic Assistance (CFDA) numbers.

Noblesville Housing Authority
Management's Discussion and Analysis (MD&A)
December 31, 2020
(Continued)

FUND STATEMENTS (Continued)

Section 8 Housing Choice Voucher Program: Under this program, the Housing Authority administers contracts with independent landlords to provide housing for low-income households. These units are not owned by the Housing Authority. The Housing Authority subsidizes the family's rent via a "Housing Assistance Payment" made directly to the landlord. HUD provides subsidy to the Housing Authority to enable the Housing Authority to set the rental rates at 30% to 40% of a participant's income.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the following table, assets exceeded liabilities by \$213,856 at the close of the year ended December 31, 2020 an increase from \$171,881 in 2019. The increase in net position was due to the change in net position of \$32,315 and a prior period adjustment of \$9,660.

The unrestricted net position was \$49,810 as of December 31, 2020. This amount may be used to meet the Housing Authority's ongoing obligations. The Housing Authority had a net position classified as restricted in the amount of \$148,220 that are subject to external restrictions on how they may be used. The restricted assets consist of excess funding in the Housing Choice Voucher program. At the end of the current year, the Housing Authority is able to report positive balances in all categories of net position.

CONDENSED STATEMENTS OF NET POSITION
December 31,

	2020	2019	Dollar Change
Current and other assets	\$ 388,573	\$ 283,293	\$ 105,280
Capital assets, net	15,826	13,803	2,023
Deferred outflow of resources	18,619	10,671	7,948
Total Assets	<u>423,018</u>	<u>307,767</u>	<u>115,251</u>
Current liabilities	91,781	10,566	81,215
Noncurrent liabilities	87,644	96,508	(8,864)
Deferred inflow of resources	29,737	28,812	925
Total Liabilities	<u>209,162</u>	<u>135,886</u>	<u>73,276</u>
Net position:			
Net Investment in capital assets	15,826	13,803	2,023
Restricted	148,220	156,922	(8,702)
Unrestricted	49,810	1,156	48,654
Total Net Position	<u>\$ 213,856</u>	<u>\$ 171,881</u>	<u>\$ 41,975</u>

Noblesville Housing Authority
Management's Discussion and Analysis (MD&A)
December 31, 2020
(Continued)

FINANCIAL ANALYSIS (Continued)

Total current assets increase of \$105,280 was due, in large part to an increase in prepaid expenses and other assets of \$128,995 and accounts receivable of \$35,313 offset by negative operating cash flows of \$(59,269).

Current liabilities increased by \$81,215, in large part, to an increase in accounts payable of \$28,008 and bank overdraft of \$41,644. The noncurrent liabilities decreased by \$8,864 from the prior year due to accrued pension liability decreasing by \$10,729.

The largest portion of the Housing Authority's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Housing Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

While the Statement of Net Position shows the change in financial position of net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

Noblesville Housing Authority
Management's Discussion and Analysis (MD&A)
December 31, 2020
(Continued)

FINANCIAL ANALYSIS (Continued)

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>12/31/20</u>	<u>12/31/19</u>	<u>Dollar Change</u>
Revenues and Contributions			
Operating, non-operating, capital contributions:			
HUD operating grants	\$ 1,471,633	\$ 1,297,873	\$ 173,760
Other income	364,027	408,605	(44,578)
Fraud recovery	0	19,292	(19,292)
Loss on sale of capital assets	(155)	0	(155)
Interest income	41	2,257	(2,216)
Total Revenues and Contributions	<u>1,835,546</u>	<u>1,728,027</u>	<u>107,519</u>
Expenses			
Personnel services	81,565	103,979	(22,414)
Insurance	1,686	1,542	144
Other supplies and expenses	57,917	28,426	29,491
Housing Assistance Payments	1,658,638	1,549,834	108,804
Depreciation	3,425	2,544	881
Total Expenses	<u>1,803,231</u>	<u>1,686,325</u>	<u>116,906</u>
Change in net position	32,315	41,702	(9,387)
Beginning net position	171,881	130,179	41,702
Prior period adjustment	9,660	0	9,660
Ending net position	<u>\$ 213,856</u>	<u>\$ 171,881</u>	<u>\$ 41,975</u>

Revenues:

As can be seen in the above table total revenues and contributions increased by \$107,519, in large part, due to HUD operating grants increasing by \$173,760.

Noblesville Housing Authority's primary revenue sources are subsidies and grants received by HUD. For the year ending December 31, 2020, revenue generated by the Housing Authority accounted for \$364,027 (or 20% of total revenue), while HUD contributions accounted for \$1,471,633 (or 80% of total revenue).

**Noblesville Housing Authority
Management's Discussion and Analysis (MD&A)
December 31, 2020
(Continued)**

FINANCIAL ANALYSIS (Continued)

Expenses:

Total expenses for the fiscal year ending December 31, 2020 were \$1,803,231 while for the year ending December 31, 2019, they were \$1,686,325. This represents an 6.9% increase in our operating costs due primarily to increased Housing Assistance Payments to landlords.

The following represents changes in Federal Assistance received:

	<u>12/31/20</u>	<u>12/31/19</u>	<u>Dollar Change</u>
Section 8 Housing Choice Voucher Program	\$ 1,367,398	\$ 1,297,873	\$ 69,525
HCV CARES Act	53,015	0	53,015
Total	<u>\$ 1,420,413</u>	<u>\$ 1,297,873</u>	<u>\$ 122,540</u>

The above chart is segregated as to the Program source of funds, not the use of funds. The Housing Choice Voucher Program revenue increased due to more vouchers being issued.

Budget Analysis:

A Low Rent Public Housing Operating Budget for the year ending December 31, 2020 was presented to and approved by the Board of Commissioners. Actual results were in line with budgeted amounts.

OPERATIONAL HIGHLIGHTS

The Noblesville Housing Authority provided the following housing for low-income individuals and families:

	<u>12/31/20</u>	<u>12/31/19</u>
Section 8 Housing Choice Voucher Program	189	185

The Voucher program had an 99.8 percent lease rate for the year ended December 31, 2020.

**Noblesville Housing Authority
Management's Discussion and Analysis (MD&A)
December 31, 2020
(Continued)**

CAPITAL ASSETS

The Noblesville Housing Authority's investment in capital assets, as of December 31, 2020 amounts to \$15,826 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and equipment. For further detail of capital assets see Note C.

**CAPITAL ASSETS
NET OF ACCUMULATED DEPRECIATION
December 31,**

	2020	2019	Dollar Change
Furniture, equipment and machinery			
- administration	\$ 32,186	\$ 27,651	\$ 4,535
	32,186	27,651	4,535
Accumulated depreciation	(16,360)	(13,848)	(2,512)
Total	\$ 15,826	\$ 13,803	\$ 2,023

Capital assets increased by \$2,023 because of capital outlays of \$5,603, removing equipment from inventory of \$(1,068) depreciation of \$(3,425) and adjustments to accumulated depreciation of \$913 during the current year.

During the year ending December 31, 2020, our Capital Fund Program work projects included:

The Housing Authority purchased a Shark Apex Vacuum; a HP laptop; two Fujitsu ScanSnap scanners; three Lenovo Thinkcentre laptops and a Laser Jet Pro printer;

Capital projects planned for the next year include ongoing housing operations.

Noblesville Housing Authority
Management's Discussion and Analysis (MD&A)
December 31, 2020
(Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations as well as capital needs. Therefore, the Housing Authority is affected more by the Federal Budget than by local economic conditions. Due to inadequate funding of programs, the Housing Authority is engaging in outreach activities within its local community to seek other federal and non-federal sources of income to offset operational expenses and keep the Housing Authority financially and operationally in order to continue to provide safe, sanitary, and decent housing to our residents.

We know of no other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net position) or results of operations (revenues, expenses, and other changes).

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in its finances. Questions or comments concerning any of the information contained in this report or request for additional information should be directed to:

Aimee Jacobsen, Executive Director
Noblesville Housing Authority
320 Kings Lane
Noblesville, Indiana 46060

FINANCIAL STATEMENTS

Noblesville Housing Authority
Statement of Net Position
December 31, 2020

ASSETS

Current Assets:

Cash and cash equivalents	\$ 177,445
Accounts receivable, net	74,005
Prepaid expenses and other assets	135,395
Inventories	1,728
Total Current Assets	388,573

Capital Assets:

Equipment	32,186
	32,186
Less: accumulated depreciation	(16,360)
Net Capital Assets	15,826

Deferred Outflow of Resources	18,619
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Total Assets and Deferred Outflow of Resources	\$ 423,018
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LIABILITIES and NET POSITION

Current Liabilities:

Bank overdraft	\$ 41,644
Accounts payable	29,582
Accrued expenses	17,696
Unearned revenue	2,859
Total Current Liabilities	91,781

Non-Current Liabilities:

Accrued compensated absences	1,865
Accrued pension	85,779
	87,644

Total Non-Current Liabilities	87,644
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Total Liabilities	179,425
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Deferred inflow of resources	29,737
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Net Position:

Net investment in capital assets	15,826
Restricted net position	148,220
Unrestricted net position	49,810
Total Net Position	213,856

Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 423,018
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See notes to financial statements

Noblesville Housing Authority
Statement of Revenues, Expenses, And
Changes in Net Position
Year Ended December 31, 2020

OPERATING REVENUES:

Operating grants	\$ 1,471,633
	1,471,633

OPERATING EXPENSES:

Administrative	123,982
Insurance	1,686
Compensated absences	10,705
Other general expense	2,010
Bad debt-other	2,785
Housing assistance payments	1,658,638
Depreciation	3,425
	1,803,231
Total operating expenses	1,803,231
Operating income (loss)	(331,598)

NONOPERATING REVENUES:

Investment interest income - unrestricted	19
Investment interest income - restricted	22
Loss on sale of capital assets	(155)
Other revenue	364,027
	363,913
Total non-operating revenues	363,913
Change in net position	32,315
Net Position, beginning	171,881
Prior period adjustments	9,660
	213,856
Net Position, ending	\$ 213,856

See notes to financial statements

Noblesville Housing Authority
Statement of Cash Flows
Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating grants	\$ 1,471,633
Cash payments to other suppliers of goods and services	(1,802,626)
Cash payments to employees for services	<u>(88,748)</u>
Net cash (used) by operating activities	<u>(419,741)</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Cash payments for equipment	(4,535)
Loss on sale of capital assets	<u>(155)</u>
Net cash (used) by capital financing activities	<u>(4,690)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Other income	350,566
Prior period adjustments	9,660
Fraud recovery	<u>4,895</u>
Net cash provided by noncapital financing activities	<u>365,121</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Receipts of interest income – unrestricted and restricted	<u>41</u>
Net cash provided by investing activities	<u>41</u>

Net increase (decrease) in cash	(59,269)
Cash and cash equivalents, beginning	<u>236,714</u>
Cash and cash equivalents, ending	<u><u>\$ 177,445</u></u>

See notes to financial statements

Noblesville Housing Authority
Statement of Cash Flows (Continued)
Year Ended December 31, 2020

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

Operating income (loss)	\$	(331,598)
Adjustments to reconcile operating (loss) to net cash provided (used)		
By operating activities:		
Depreciation		3,425
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Prepaid expenses and other assets		(128,995)
Inventories		(241)
Deferred outflow of resources		(7,948)
Increase (decrease) in liabilities:		
Bank overdraft		41,644
Accounts payable-trade		3,207
Accrued wages/payroll taxes payable		6,011
Accrued compensated absences		4,558
Accrued pension		(10,729)
Deferred inflow of resources		925
		925
Net cash (used) by operating activities	\$	(419,741)

See notes to financial statements

Noblesville Housing Authority
Notes to Financial Statements
December 31, 2020

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Noblesville Housing Authority (“NHA” or “Housing Authority”) is an independent municipal entity created by the City of Noblesville pursuant to Indiana state law and the National Housing Act of 1937. Although the Housing Authority maintains close ties with the City of Noblesville in several respects, the Housing Authority is not a component unit of the City, as defined by the Governmental Accounting Standards Board, since the City is not financially accountable for the operations of the Housing Authority, and has no responsibility to fund its deficits or receive its surpluses. The Housing Authority operates under a Board of Commissioner form of government to provide safe and decent housing for eligible low and moderate-income families and elderly individuals. The Board is comprised of five members, all City residents, appointed by the City Mayor.

1. Reporting Entity

The Housing Authority’s financial statements include the accounts of all of the Housing Authority’s operations. The Housing Authority maintains its accounting records by program and operates the following programs:

State/Local Program

This program accounts for all activities relating to a capital development block grant entitlement (CDBG) to Hamilton County, Indiana (Contract No. C-2066).

Section 8 Housing Choice Vouchers

HUD provides grants to the Housing Authority to subsidize rents paid by low income families and issued vouchers affording them choices in renting from private landlords. The Housing Authority subsidizes the landlord for the differences between the rent requested and the tenant’s share of the rent not to exceed a predetermined payment standard. This program provided rental assistance to approximately 189 families and individuals this year.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation and Accounting

In accordance with uniform financial reporting standards for HUD housing purposes, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged 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 cost charges.

1. Budgets and Budgetary Accounting

The Housing Authority adopts a formal operating budget each year for its operating programs and on a project-length basis for its capital expenditures, which are approved by the board of Commissioners and submitted to the U.S. Department of Housing and Urban Development for their approval, if required.

2. Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts. The cash equivalents are recorded at cost, which approximates market.

3. Tenant Accounts Receivable and Allowance for Bad Debts

Accounts receivable have been adjusted for all known uncollectible accounts.

4. Prepaid Expenses and Other Assets

Prepaid expenditures, such as insurance premiums, deferred costs and prepaid HAP expense, which are expected to be written off within the next fiscal year, are included in net current assets.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Compensated Absences

Housing Authority employees are granted vacation days in varying amounts based on tenure with the Housing Authority. Employees are also granted nine personal days in addition to their vacation days. In the event of termination by retirement or death, an employee is paid for accumulated personal days according to personnel policies.

6. Inter-Program Activity

During the course of operations, transactions occur within individual programs that may result in amounts owed or transfers between programs. Offsetting inter-program receivables and payables as well as offsetting inter-program transfers are eliminated for financial statement presentation. For the year ended December 31, 2020, there were no inter-program receivables and payables and no operating transfers.

7. Equipment

Equipment is recorded at historical cost. Costs in excess of \$250 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Office equipment	5 - 10 years
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10. 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.

11. Income Taxes

The Housing Authority is a quasi-governmental entity. The Housing Authority is not subject to Federal or State income taxes.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. 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.

14. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position will, when applicable, report separate sections for deferred outflows or resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources* a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

15. Unearned Revenue

The Housing Authority reports unearned revenue in connection with resources that have been received, but not yet earned.

16. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE A: DESCRIPTION OF THE HOUSING AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

17. Net Position

Net positions are comprised of three categories (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The Housing Authority's positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Housing Authority's policy is to first apply restricted resources. Each component of net position is reported separately on the statement of net position.

- i. Net Investment in capital assets – This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.
- ii. Restricted – This category equals the restricted cash of the Housing Authority and consists of net position restricted for use by (1) external groups such as grantors, creditors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- iii. Unrestricted – This category includes all of the remaining net position that do not meet the definition of the other two categories.

18. Subsequent Events

The financial statements and related disclosures include evaluation of events through and including July 21, 2021, which is the date the financial statements were available to be issued.

NOTE B: CASH AND CASH EQUIVALENTS

Indiana Code authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Indiana. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Indiana or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Indiana.

The Housing Authority has designated one bank for the deposit of its funds. The Housing Authority's deposits are included on the balance sheet under the classification cash and cash equivalents and 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. Cash and cash equivalents balance was as follows:

Cash – operations	<u>\$ 177,445</u>
Total	<u><u>\$ 177,445</u></u>

The above deposits are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of December 31, 2020:

Bank deposits (checking and savings accounts)	\$ 177,395
Petty cash	<u>50</u>
Total	<u><u>\$ 177,445</u></u>

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it. At year end, the Housing Authority had no bank deposits that were uninsured and uncollateralized.

NOTE C: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Balance 12/31/19</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Balance 12/31/20</u>
Housing Choice Voucher Program				
Equipment	\$ 32,186	\$ 0	\$ 0	\$ 32,186
	<u>32,186</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>32,186</u>
Less accumulated Depreciation	(12,935)	\$ (3,425)	\$ 0	(16,360)
Total	<u>\$ 19,251</u>			<u>\$ 15,826</u>

Depreciation expense was charged to functions/programs of the government as follows:

Business-type activities:	
Housing Choice Voucher Program	<u>\$ 3,425</u>

NOTE D: NON-CURRENT LIABILITIES

As of December 31, 2020, the non-current liabilities are comprised of the following:

Accrued pension	\$ 85,779
Accrued compensated absences	<u>1,865</u>
	<u>\$ 87,644</u>

The following is a summary of changes in non-current liabilities for the year ended December 31, 2020:

	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/20</u>	<u>Amounts Due within One Year</u>
Accrued pension	\$ 96,508	\$ 0	\$ (10,729)	\$ 85,779	\$ 0
Accrued absences	<u>0</u>	<u>12,570</u>	<u>(10,705)</u>	<u>1,865</u>	<u>8,840</u>
	<u>\$ 96,508</u>	<u>\$ 12,570</u>	<u>\$ (21,434)</u>	<u>\$ 87,644</u>	<u>\$ 8,840</u>

NOTE E: CONTINGENCIES

Contingencies

The Housing Authority is subject to possible examination by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Housing Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

NOTE F: RETIREMENT PLAN

Description of Pension Plan

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

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

Eligibility for Pension Benefit Payment

Full Retirement Benefit:

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

Early Retirement Benefit:

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

Disability Benefit:

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

NOTE F: RETIREMENT PLAN (CONTINUED)

Survivor Benefit:

If a member dies after July 21, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Contribution Rates

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.43 percent from July 2019 to December 2019 and 0.44 percent from January 2020 to June 2020 funding a supplemental reserve account for postretirement benefits. Contributions from employers with PERF MC DC plan members, who either currently offer or have offered PERF Hybrid, fund PERF DB's unfunded liability at 8.0 percent of covered payroll for the State and 7.3 percent for political subdivisions. No member contributions are required.

Benefit Formula & Postretirement Benefit Adjustment

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

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board.

Basis of Accounting

The financial statements of INPRS have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for established governmental accounting and financial reporting principles. INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations.

Net Pension Liability

At December 31, 2020 and 2019, the Housing Authority reported a liability of \$85,779 and \$96,508, respectively, for its proportionate share of the net pension liability.

NOTE F: RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

Significant actuarial assumptions and other inputs used to measure the total pension liability:

	2020 Valuation
Type of Plan	The Public Employees' Retirement Fund is a cost-sharing multiple-employer plan for GASB accounting purposes.
Measurement Date	June 30, 2020
Valuation Date	
Assets:	June 30, 2020
Liabilities:	June 30, 2019 – The TPL as of June 30, 2020 was determined based on an actuarial valuation prepared as of June 30, 2019 rolled forward one year to June 30, 2020, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Inflation	2.25%
Future Salary Increases	2.75% - 8.75% based on service
Costs of Living Increases	As of June 30, 2020: In lieu of a COLA on January 1, 2021, members in pay were provided a 13th check on October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039 As of June 30, 2019: In lieu of a COLA on January 1, 2020 and January 1, 2021, members in pay were provided a 13th check on October 1, 2019 and October 1, 2020. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2022 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039

Mortality Assumption - Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Healthy Employees – General Employee table with a 3-year set forward for males and a 1 year set forward for females.

Retirees – General Retiree table with a 3-year set forward for males and a 1 year set forward for females.

Beneficiaries – Contingent Survivor table with no set forward for males and a 2-year set forward for females.

NOTE F: RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Disableds – General Disabled table with a 140% load

Experience Study - The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were updated as appropriate based on the results of the study for this June 30, 2020 actuarial valuation.

Discount Rate - 6.75%, net of investment expenses

The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. There was no change in the discount rate from the prior measurement date.

The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of 11.2% (the current contribution rate) or a rate equal to the actuarially determined contribution rate, which is based on the assumptions and methods selected by the Board for the annual actuarial valuations and projected covered member payroll. The June 30, 2020 actuarial valuation assumes a long-term rate of return on assets of 6.75%, a 20-year level dollar closed method for amortizing the future layers of unfunded actuarial accrued liability (30 years for amortization layers established prior to June 30, 2016), and a 5-year smoothing method for recognizing investment gains and losses in the actuarial value of assets.

In the past several years, the Board has followed its current funding policy and the State has complied in its contributions to the plan. Therefore, if past practice is continued, the appropriations will be sufficient to fully fund the plan within 20 to 30 years. In the past, deterministic projections have shown the actuarially determined contribution rate to reach a peak of 10.9% which is slightly below the current rate. As a result, it is presumed that the projected plan assets will be sufficient to cover the future benefit payments for current members.

Discount Rate Sensitivity

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%)
\$139,849	\$85,779	\$40,491

NOTE F: RETIREMENT PLAN (CONTINUED)***Pension Expense***

For the year ended December 31, 2020, the Housing Authority recognized pension expense of \$994, 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 - debit	Deferred inflows of resources - credit
Differences between expected and actual experience	\$ 1,520	\$ 1,152
Net differences between projected and actual	7,341	0
Change of Assumptions	0	17,873
Changes in proportion and differences between employer contributions and proportionate share of contributions	278	10,712
Total	<u>\$ 9,139</u>	<u>\$ 29,737</u>

Contributions Shown by INPRS (reflects impact of any accruals): \$17,185

**Amortization of net deferred outflows/(inflows)
of resources – debit/(credit)**

2021	(14,321)
2022	(7,392)
2023	(2,003)
2024	3,118
Thereafter	0
Total	<u>\$ (20,598)</u>

Net pension liability as of 2019	\$ 96,508
Activity in FY 2020	
Differences between expected and actual experience	(2,187)
Net differences between projected and actual investment	11,903
Change of assumptions	(7,403)
Changes in proportion and differences between employer contributions	3,149
Pension Expense/Income	994
Contributions	<u>(17,185)</u>
Net pension liability as of 2020	<u>\$ 85,779</u>

The information presented above has not been audited.

NOTE G: RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The Housing Authority carries commercial insurance coverage to cover this risk. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Housing Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE H: PRIOR PERIOD ADJUSTMENTS

The Housing Choice Voucher Program adjusted the prior year accounts receivable-admin by \$9,639 and the prior period accounts payable-admin was adjusted by \$21.

REQUIRED SUPPLEMENTARY INFORMATION

Noblesville Housing Authority
Schedule of the Housing Authority's Proportionate Share of the Net Pension Liability
December 31, 2020

INPRS Pension Plan
Last Ten Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Noblesville Housing Authority's proportion of the net pension liability	.0000358	.0000356	.0000344	.0000333	.0000292	.0000284
Noblesville Housing Authority's proportionate share of the net pension liability	\$ 145,810	\$ 161,569	\$ 153,477	\$ 113,122	\$ 96,508	\$ 85,779
Noblesville Housing Authority's covered employee payroll	171,520	170,632	170,604	169,880	152,152	153,436
Noblesville Housing Authority's proportionate share of the net position liability as a percentage of its covered employee payroll	85%	95%	90%	67%	63%	56%

Note: Additional years information will be presented when available.

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

Noblesville Housing Authority
Schedule of the Housing Authority's Contributions
December 31, 2020

INPRS Pension Plan
Last Ten Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 19,210	\$ 19,210	\$ 19,107	\$ 18,883	\$ 17,185	\$ 17,185
Contributions in relation to the contractually Required contribution	<u>19,210</u>	<u>19,210</u>	<u>19,107</u>	<u>18,883</u>	<u>17,185</u>	<u>17,185</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Noblesville Housing Authority's covered employee payroll	\$ 171,520	\$ 170,632	\$ 170,604	\$ 169,880	\$ 152,152	\$ 153,436
Contributions as a percentage of covered Employee payroll	11.2%	11.2%	11.2%	11.1%	11.3%	11.2%

Note: Additional years information will be presented when available.

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

OTHER INFORMATION

Independent Accountant’s Report on Applying Agreed-Upon Procedure

To the Board of Commissioners
Noblesville Housing Authority

We have performed the procedure described in the second paragraph of this report, which was agreed to by the Noblesville Housing Authority (the “Authority”) and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of the Authority and the U.S. Department of Housing and Urban Development, PIH-REAC. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the “UFRS Rule information” column with the corresponding printed documents listed in the “Hard Copy Documents” column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the “UFRS Rule Information” column agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with the audit requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, for the Noblesville Housing Authority as of and for the year ended December 31, 2020, and have issued our reports thereon dated July 21, 2021. The information in the “Hard Copy Documents” column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated July 21, 2021, was expressed in relation to the basic financial statements of the Authority taken as a whole.

Independent Accountant's Report on Applying Agreed-Upon Procedure

Page Two

A copy of the reporting package required by OMB Uniform Administrative Requirements, which includes the auditor's reports, is available in its entirety from the Noblesville Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

The purpose of this report on applying the agreed-upon procedure is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Barry E. Gaudette, CPA, PC

July 21, 2021

ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Business Sheet, Revenue and Expense and Cash Flow Data	Financial Data Templates (i.e. the Financial Data Schedule)	X	
2	Footnotes	Footnotes to Audited Basic Financial Statements	X	
3	Type of Opinion on the Financial Statements and Compliance	Auditor's Reports on the Financial Statements and Compliance	X	
4	Type of Opinion on Financial Data Templates	Auditor's Supplemental Report on Financial Data Templates	X	

Noblesville Housing Authority
Schedule of Expenditures of Federal Awards
And Notes to the Schedule of Federal Awards
Year Ended December 31, 2020

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor</u>	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<hr/>			
U.S. Department of HUD			
<hr/>			
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	A – Major	14.871	\$ 1,284,261
Ongoing Administrative Fees Earned	B – Major	14.871	<u>71,747</u>
Subtotal Housing Voucher Cluster			1,356,008
HCV CARES Act Funding	B – Nonmajor	14.HCC	<u>115,625</u>
Total Federal Financial Awards			<u>\$ 1,471,633</u>
Threshold for Type A/Type B Program			<u>\$ 750,000</u>

NOTES TO THE SCHEDULE OF FEDERAL AWARDS

Basis of Accounting - - The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Housing Authority under programs of the federal government for the year ended December 31, 2020. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the Uniform Guidance, Audit of States, Local Governments, and Non-Profit Organizations. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in Single Audit Act Amendments of 1996 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), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of the Housing Authority.

Indirect Cost Rate - - The Authority did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Noblesville Housing Authority
Financial Data Schedule
Year Ended December 31, 2020

FDS Line Item No.		State/Local	Housing Choice Vouchers Program 14.871	Total
	ASSETS			
	Current assets:			
111	Cash-unrestricted	\$ 29,225	\$ 0	\$ 29,225
113	Cash-other restricted	139,660	8,560	148,220
100	Total cash	<u>168,885</u>	<u>8,560</u>	<u>177,445</u>
	Receivables:			
121	A/R-tenants-PHA projects	0	29,005	29,005
124	A/R-other government	38,895	0	38,895
128	Fraud recovery	0	14,903	14,903
129	Allowance for doubtful accounts fraud	0	(8,798)	(8,798)
120	Total receivables, net	<u>38,895</u>	<u>35,110</u>	<u>74,005</u>
	Other Current Assets:			
142	Prepaid expenses and other assets	0	135,395	135,395
143	Inventories	0	1,728	1,728
	Total other current assets	<u>0</u>	<u>137,123</u>	<u>137,123</u>
150	Total current assets	<u>207,780</u>	<u>180,793</u>	<u>388,573</u>
	Noncurrent Assets:			
	Fixed Assets:			
164	Furn, equip & mach-admin	0	32,186	32,186
166	Accumulated depreciation	0	(16,360)	(16,360)
160	Total fixed assets, net	<u>0</u>	<u>15,826</u>	<u>15,826</u>
180	Total non-current assets	<u>0</u>	<u>15,826</u>	<u>15,826</u>
200	Deferred outflow of resources	<u>0</u>	<u>18,619</u>	<u>18,619</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 207,780</u>	<u>\$ 215,238</u>	<u>\$ 423,018</u>

Noblesville Housing Authority
Financial Data Schedule
(Continued)
Year Ended December 31, 2020

FDS Line Item No.		State/Local	Housing Choice Vouchers Program 14.871	Totals
	LIABILITIES and NET POSITION			
	Current liabilities:			
311	Bank overdraft	\$ 0	\$ 41,644	\$ 41,644
312	Accounts payable	0	4,646	4,646
321	Accrued wage/payroll taxes payable	0	8,856	8,856
322	Accrued compensated absences	0	8,840	8,840
332	Accounts payable-PHA projects	0	24,936	24,936
342	Unearned revenue	0	2,859	2,859
310	Total current liabilities	<u>0</u>	<u>91,781</u>	<u>91,781</u>
	Non-current liabilities:			
354	Accrued compensated absences	0	1,865	1,865
357	Accrued pension	0	85,779	85,779
350	Total noncurrent liabilities	<u>0</u>	<u>87,644</u>	<u>87,644</u>
300	Total liabilities	<u>0</u>	<u>179,425</u>	<u>179,425</u>
400	Deferred inflow of resources	<u>0</u>	<u>29,737</u>	<u>29,737</u>
	Net Position:			
508.4	Net investment in capital assets	0	15,826	15,826
511.4	Restricted net position	139,660	8,560	148,220
512.4	Unrestricted net position	68,120	(18,310)	49,810
513	Total net position	<u>207,780</u>	<u>6,076</u>	<u>213,856</u>
600	Total Liabilities, Deferred Inflows of Resources and and Net Position	<u>\$ 207,780</u>	<u>\$ 215,238</u>	<u>\$ 423,018</u>

Noblesville Housing Authority
Financial Data Schedule
(Continued)
Year Ended December 31, 2020

FDS Line Item No.		State/Local	Housing Choice Vouchers Program 14.871	14.HCC HCV CARES Act Funding
Revenues				
70600	HUD PHA operating grants	\$ 0	\$ 1,356,008	\$ 115,625
71100	Investment income – unrestricted	0	19	0
71500	Other revenue	0	364,027	0
71600	Loss on sale of capital assets	0	(155)	0
72000	Investment income-restricted	22	0	0
70000	Total Revenue	<u>22</u>	<u>1,719,899</u>	<u>115,625</u>
Expenses				
Administrative:				
91100	Administrative salaries	0	20,004	25,981
91200	Auditing fees	0	3,277	3,277
91400	Advertising and marketing	0	725	0
91500	Employee benefit contributions	0	18,353	6,522
91600	Office expenses	0	4,627	1,125
91800	Travel	0	153	62
91900	Other	0	24,608	15,268
91000	Total operating-administrative	<u>0</u>	<u>71,747</u>	<u>52,235</u>
Insurance:				
96120	Liability insurance	0	1,127	0
96140	All other insurance	0	559	0
96100	Total insurance premiums	<u>0</u>	<u>1,686</u>	<u>0</u>
Other General Expenses:				
96200	Other general expenses	0	2,010	0
96210	Compensated absences	0	10,705	0
96600	Bad debt-other	0	2,785	0
96000	Total other general expenses	<u>0</u>	<u>15,500</u>	<u>0</u>
96900	Total operating expenses	<u>0</u>	<u>88,933</u>	<u>52,235</u>
97000	Excess of operating revenue over Operating expenses	<u>22</u>	<u>1,630,966</u>	<u>63,390</u>
Other Expenses:				
97300	Housing assistance payments	0	1,236,573	62,610
97350	HAP portability-in	0	359,455	0
97400	Depreciation expense	0	3,425	0
	Total other expenses	<u>0</u>	<u>1,599,453</u>	<u>62,610</u>

Total

\$	1,471,633
	19
	364,027
	(155)
	22
	<u>1,835,546</u>

45,985
6,554
725
24,875
5,752
215
39,876
<u>123,982</u>

1,127
559
<u>1,686</u>

2,010
10,705
2,785
<u>15,500</u>

<u>141,168</u>

<u>1,694,378</u>

1,299,183
359,455
3,425
<u>1,662,063</u>

Noblesville Housing Authority
Financial Data Schedule
(Continued)
Year Ended December 31, 2020

FDS Line Item No.		State/Local	Housing Choice Vouchers Program 14.871	14.HCC HCV CARES Act Funding
	Expenses (continued)			
90000	Total expenses	0	1,688,386	114,845
10000	Excess(deficiency) of revenue over(under) expenses	22	31,513	780
11030	Beginning net position	207,758	(35,877)	0
11040	Prior period adjustment and equity transfers	0	10,440	(780)
	Ending net position	<u>\$ 207,780</u>	<u>\$ 6,076</u>	<u>\$ 0</u>
11170	Administrative fee equity		\$ (2,484)	
11180	Housing assistance payments equity		\$ 8,560	
11190	Unit months available		2,268	
11210	Number of unit months leased		2,264	

<u>Total</u>
<u>1,803,231</u>
32,315
171,881
<u>9,660</u>
<u>\$ 213,856</u>

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

**Independent Auditor’s 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***

To the Board of Housing Commissioners
Noblesville Housing Authority
Hamilton County, Indiana

We 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 business-type activities of the Noblesville Housing Authority, Indiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Noblesville Housing Authority, Indiana’s basic financial statements, and have issued our report thereon dated July 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Noblesville Housing Authority, Indiana’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Noblesville Housing Authority, Indiana’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Noblesville Housing Authority, Indiana’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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Noblesville Housing Authority, Indiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Barry E. Gaudette, CPA, PC

July 21, 2021

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Housing Commissioners
Noblesville Housing Authority
Noblesville, Indiana

Report on Compliance for Each Major Federal Program

We have audited the Noblesville Housing Authority, Indiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Noblesville Housing Authority, Indiana's major federal programs for the year ended December 31, 2020. Noblesville Housing Authority, Indiana'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Noblesville Housing Authority, Indiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Noblesville Housing Authority, Indiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barry E. Gaudette, CPA, PC

July 21, 2021

**Noblesville Housing Authority
Status of Prior Audit Findings
December 31, 2020**

There were no prior year findings.

Noblesville Housing Authority
Schedule of Findings and Questioned Costs
December 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? none reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? none reported

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

Any audit findings disclosed that are required to be reported in accordance with *Audit Requirements for Federal Awards* (Uniform Guidance)? No

Identification of major programs;

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
14.871	Housing Voucher Cluster

Section II - Findings Related to the Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

Section III - Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs.