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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

August 26, 2022

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

We have reviewed the audit report of the Housing Authority of the City of Rockport, which was opined upon by Audit Solutions, LLC, Independent Public Accountant, for the period October 1, 2020 to September 30, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Rockport as of September 30, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Audit Solutions, LLC, 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
ROCKPORT, INDIANA**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

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# Audit Solutions, LLC.

Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the City of Rockport  
Rockport, Indiana

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

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Rockport (Authority), Indiana, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the 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***

My responsibility is to express opinions 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 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, 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 respective financial position of the business-type activities of the Authority, as of September 30, 2021, 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 i-vi, the schedule of proportionate share of net pension liability (asset) on page 23 and the schedule of employer contributions on page 24 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. 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 basic financial statements, and other knowledge I obtained during my audit of the basic 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.

### ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental information, as described in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information, as described in the table of contents, 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 my opinion, the supplemental information, as described in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole

### ***Other Reporting Required by Government Auditing Standard***

In accordance with *Government Auditing Standards*, I have also issued my report dated June 17, 2022 on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

## ***Audit Solutions, LLC***

Chesterfield, Missouri

June 17, 2022

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
September 30, 2021

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This section of the Housing Authority of the City of Rockport, Indiana (Authority) annual financial report presents our Management's Discussion and Analysis of the Authority's financial performance during the fiscal year ended on September 30, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

**FINANCIAL HIGHLIGHTS**

- The term "Net Position" refers to the difference between assets and liabilities. The Authority's total net position as of September 30, 2021 was \$1,344,258. The net position decreased by \$57,790, a decrease of 4.2% from the prior year.
- Revenues for the Authority were \$824,244 for the year ended September 30, 2021. This was a decrease of \$223,694 or 21.3% from the prior year.
- Expenses for the Authority were \$882,034 for the year ended September 30, 2021. This was a decrease of \$39,109 or 4.2% from the prior year.
- Tenant revenue for the Authority was \$495,656 or 60.1% of total revenues for the year ended September 30, 2021. This was a decrease of \$6,330 or 1.3% from the prior year.
- Governmental grants and subsidy for the Authority was \$282,980 or 34.9% of total revenues for the year ended September 30, 2021. This was an increase of \$73,248 or 34.9% over the prior year.
- Capital contributions for the Authority was \$38,881 or 4.7% of total revenues for the year ended September 30, 2021. This was a decrease of \$287,072 or 88.1% from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes this *Management Discussion and 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 Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

**Required Financial Statements**

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)  
September 30, 2021

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**OVERVIEW OF THE FINANCIAL STATEMENTS - (CONTINUED)**

*Required Financial Statements – (Continued)*

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the 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 Data*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2021 and is required to be included in the audit reporting package.

**FINANCIAL ANALYSIS**

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$1,334,258 at the close of the year ended September 30, 2021, down from \$1,392,048 in fiscal year 2020. The decrease in net position of \$57,790 was due to the reasons noted below.

- Current assets were \$296,001 or 18.7% of total assets for FY 2021 and include cash, investments, receivables, prepaid expenses, and materials inventory. Increase of \$41,440 in current assets was primarily due to a \$43,013 increase in receivables. Of the increase in receivables, \$32,852 was for operating subsidy obligated to the Authority, which was drawn after fiscal year-end. The Authority also had a \$10,379 increase in unpaid rent and other tenant charges.
- Capital assets were \$1,237,948 or 78.4% of total assets for FY 2021 and decreased \$93,737 from FY 2020. Decrease in capital assets was the result of current year depreciation expense exceeding current year capital asset additions. Change in capital assets is explained in section titled "Capital Assets" of this analysis.
- Deferred outflows increased \$34,114 or 299.1% from FY 2020.
- Current liabilities increased \$42,257 or 57.1% from FY 2020 mainly due to a \$26,629 increase in accrued payments in lieu of taxes and a \$10,073 increase in accounts payable. The Authority also had a \$1,742 increase in accrued wages and payroll taxes payable and a \$1,131 increase in tenant prepaid rents.
- Noncurrent liabilities decreased \$31,688 due to a \$26,540 decrease in net pension liability and a \$5,148 decrease in noncurrent portion of accrued compensated absences.
- Deferred inflows increased \$29,038 or 52.6% over FY 2020.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)**  
September 30, 2021

**FINANCIAL ANALYSIS - (CONTINUED)**

**CONDENSED STATEMENTS OF NET POSITION**

	<u>FY 2021</u>	<u>FY 2020</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 296,001	\$ 254,561	\$ 41,440	16.3%
Capital assets	<u>1,237,948</u>	<u>1,331,685</u>	<u>(93,737)</u>	-7.0%
Total Assets	<u>1,533,949</u>	<u>1,586,246</u>	<u>(52,297)</u>	-3.3%
 Deferred Outflows	 <u>45,521</u>	 <u>11,407</u>	 <u>34,114</u>	 299.1%
<b>TOTAL</b>	<b>\$ <u>1,579,470</u></b>	<b>\$ <u>1,597,653</u></b>	<b>\$ <u>(18,183)</u></b>	<b>-1.1%</b>
 Current liabilities	 \$ 116,279	 \$ 74,022	 \$ 42,257	 57.1%
Noncurrent liabilities	<u>44,681</u>	<u>76,369</u>	<u>(31,688)</u>	-41.5%
Total Liabilities	<u>160,960</u>	<u>150,391</u>	<u>10,569</u>	7.0%
 Deferred Inflows	 <u>84,252</u>	 <u>55,214</u>	 <u>29,038</u>	 52.6%
 Net Position				
Net investment in capital assets	1,237,948	1,331,685	(93,737)	-7.0%
Unrestricted	<u>96,310</u>	<u>60,363</u>	<u>35,947</u>	59.6%
Total Net Position	<u>1,334,258</u>	<u>1,392,048</u>	<u>\$ (57,790)</u>	-4.2%
<b>TOTAL</b>	<b>\$ <u>1,579,470</u></b>	<b>\$ <u>1,597,653</u></b>	<b>\$ <u>(18,183)</u></b>	<b>-1.1%</b>

The unrestricted net position was \$96,310 as of September 30, 2021. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays for almost three months. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

The largest portion of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less accumulated depreciation. The 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.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)**  
September 30, 2021

**FINANCIAL ANALYSIS - (CONTINUED)**

As can be seen in the table on the following page, total revenues decreased \$223,694 due to the reasons noted below.

- Tenant revenue decreased \$6,330 or 1.3% from FY 2020.
- Governmental grants and subsidy increased \$73,248 from FY 2020 mainly due to a \$64,123 or 32.4% increase in funding for Public Housing Operating Subsidy. The Authority also had a \$7,596 increase in funding earned for Public Housing CARES Act and a \$1,529 increase in capital funds utilized for operating expenditures.
- Capital contributions decreased \$287,072 from FY 2020. The Authority is allocated capital fund grants each year as determined by HUD and the amount remains relatively consistent from year to year. HUD capital grant revenues during the year will depend upon timing of projects as outlined in the HUD approved capital grant budget.
- Miscellaneous revenue decreased \$1,434 from FY 2020.
- Investment income decreased \$2,106 from FY 2020.

**CONDENSED STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

	FY 2021	FY 2020	Dollar Change	Percent Change
<b>Revenues</b>				
Operating - non-operating - capital contributions:				
Tenant revenue	\$ 495,656	\$ 501,986	\$ (6,330)	-1.3%
Governmental grants and subsidy	282,980	209,732	73,248	34.9%
Capital contributions	38,881	325,953	(287,072)	-88.1%
Miscellaneous revenue	6,166	7,600	(1,434)	-18.9%
Investment income	561	2,667	(2,106)	-79.0%
Total Revenues	824,244	1,047,938	(223,694)	-21.3%
<b>Expenses</b>				
Administrative	162,659	173,548	(10,889)	-6.3%
Tenant services	-	540	(540)	-100.0%
Utilities	169,749	166,785	2,964	1.8%
Ordinary maintenance & operations	327,669	329,730	(2,061)	-0.6%
Protective services	407	-	407	100.0%
Insurance	39,185	36,639	2,546	6.9%
General	34,752	36,534	(1,782)	-4.9%
Depreciation expense	147,613	177,367	(29,754)	-16.8%
Total Expenses	882,034	921,143	(39,109)	-4.2%
Change in net position	(57,790)	126,795	(184,585)	
Total net position - beginning of year	1,392,048	1,265,253	126,795	
Prior period adjustments	-	-	-	
Beginning net position, adjusted	1,392,048	1,265,253	126,795	
Ending net position	\$ 1,334,258	\$ 1,392,048	\$ 126,795	

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) - (Continued)**  
September 30, 2021

**FINANCIAL ANALYSIS - (CONTINUED)**

Total expenses decreased \$39,109 due to the reasons noted below.

- Administrative expense was \$162,659 or 18.4% of total expenses for FY 2021 and decreased \$10,889 or 6.3% from FY 2020. Decrease in administrative expense was mainly due to a decrease in administrative wages and benefits of \$9,102 or 9.5%.
- Tenant services decreased \$540 from FY 2020.
- Utilities were \$169,749 or 19.3% of total expenses for FY 2021 and increased \$2,964 or 1.8% from FY 2020.
- Ordinary maintenance and operations totaled \$327,669 for FY 2021 or 37.2% of total expenses and decreased \$2,061 or 0.6% from FY 2020.
- Protective services increased \$407 from FY 2020.
- Insurance expense totaled \$39,185 for FY 2021 or 4.4% of total expenses. Increase in insurance of \$2,546 was mainly due to an increase in property and liability insurance of \$2,509 or 7.9%.
- General expenses were \$34,752 for FY 2021 or 3.9% of total expenses. Decrease in general expenses of \$1,782 was due to a decrease in tenant bad debt expense of \$920 and a \$862 decrease in compensated absences.
- The Authority had a \$29,754 or 16.8% decrease in depreciation, which is the write-off of capital assets over their estimated useful life. Depreciation totaled \$147,613 for FY 2021 or 16.7% of total expenses.

The Public Housing occupancy rate for fiscal year ended September 30, 2021 was 93.0%, up from 91.5% in FY 2020. The Authority currently owns and manages 141 Public Housing units.

**CAPITAL ASSETS**

The Housing Authority of the City of Rockport, Illinois’ net investment in capital assets as of September 30, 2021 amounts to \$1,237,948 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, equipment, and construction in progress.

**Capital Assets** – The total decrease in the Authority’s capital assets for the current fiscal year was 7.0% in terms of net book value. Actual expenditures to purchase or construct capital assets from revenues were \$53,876 for the year. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$147,613. Additional information on the Authority’s capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Disposals	Ending
Capital assets	\$1,331,685	\$53,876	\$(147,613)	\$0	\$1,237,948

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)**  
September 30, 2021

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

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2022 Public Housing budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on occupied units and approved vacancies, utility consumption and rates, approved add-ons, formula income, and transition funding. The amount of funding is also established and approved by HUD. Formula income is based on rental income from the Authority's rent roll records for the period specified by HUD. Operating expenses are expected to increase by the economy's inflation rate.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Executive Director, Housing Authority of the City of Rockport, P.O. Box 173, Rockport, Indiana 47635.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**STATEMENT OF NET POSITION**  
September 30, 2021

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**ASSETS**

Current Assets:

Cash and cash equivalents	\$	14,101
Cash - restricted		19,022
Investments		158,832
Receivables - net of allowances		49,579
Inventory - net of allowances		24,658
Prepaid expenses		<u>29,809</u>

Total Current Assets 296,001

Non-current Assets:

Capital assets:

Land and construction in progress		188,342
Other capital assets, net of depreciation		<u>1,049,606</u>

Total capital assets - net 1,237,948

Total Non-current Assets 1,237,948

Total Assets 1,533,949

**DEFERRED OUTFLOWS OF RESOURCES**

Accrued pension		<u>45,521</u>
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Total Deferred Outflow of Resources 45,521

Total Assets and Deferred Outflow of Resources \$ 1,579,470

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**STATEMENT OF NET POSITION - (Continued)**  
September 30, 2021

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**LIABILITIES**

Current Liabilities:

Accounts payable	\$	82,227
Accrued salaries and benefits		6,149
Tenant security deposit liability		19,022
Accrued compensated absences		3,383
Unearned revenues		<u>5,498</u>

Total Current Liabilities 116,279

Non-current Liabilities:

Compensated absences		5,074
Non-current liabilities - Other		<u>39,607</u>

Total Non-current Liabilities 44,681

Total Liabilities 160,960

**DEFERRED INFLOWS OF RESOURCES**

Accrued pension		<u>84,252</u>
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Total Deferred Inflow of Resources 84,252

**NET POSITION**

Net investment in capital assets		1,237,948
Unrestricted		<u>96,310</u>

Total Net Position 1,334,258

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 1,579,470

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Year Ended September 30, 2021

<b>OPERATING REVENUES</b>	
Tenant revenue	\$ 495,656
Governmental grants and subsidy	282,980
Miscellaneous	<u>6,166</u>
Total operating revenue	<u>784,802</u>
<b>OPERATING EXPENSES</b>	
Administrative	162,659
Utilities	169,749
Ordinary maintenance and operations	327,669
Protective services	407
Insurance	39,185
General	34,752
Depreciation expense	<u>147,613</u>
Total operating expenses	<u>882,034</u>
Operating income (loss)	<u>(97,232)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	<u>561</u>
Net non-operating revenues (expenses)	<u>561</u>
Income (loss) before contributions and transfers	<u>(96,671)</u>
Capital contributions	<u>38,881</u>
Change in net position	(57,790)
Total net position - beginning of year	<u>1,392,048</u>
Total net position - end of year	<u>\$ <u>1,334,258</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**STATEMENT OF CASH FLOWS**  
For the Year Ended September 30, 2021

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from tenants	\$ 487,720
Received from governmental grants and subsidy	249,303
Received from other operating activities	6,166
Payments for goods and services	(450,281)
Payments to employees	<u>(280,122)</u>
Net cash provided by (used in) operating activities	<u>12,786</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital contributions	38,881
Purchases of capital assets	<u>(53,876)</u>
Net cash provided by (used in) capital and related financing activities	<u>(14,995)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds (payments) from sale (purchase) of investments	(475)
Receipts of interest and dividends	<u>480</u>
Net cash provided by (used in) investing activities	<u>5</u>
Net increase (decrease) in cash and cash equivalents	(2,204)
Cash and cash equivalents at beginning of year	<u>35,327</u>
Cash and cash equivalents at end of year	<u>\$ 33,123</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**STATEMENT OF CASH FLOWS - (Continued)**  
For the Year Ended September 30, 2021

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**Reconciliation of operating income (loss) to net cash provided (used) by operating activities**

Operating income (loss)	\$	(97,232)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		147,613
Change in assets and liabilities:		
Receivables, net		(42,932)
Inventories, net		1,257
Prepaid expenses		(35,527)
Accounts and other payables		14,122
Tenant security deposit		188
Unearned revenues		30,169
Compensated absences		(5,570)
Accrued expenses		<u>698</u>
Net cash provided by (used) by operating activities	\$	<u><u>12,786</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS  
September 30, 2021

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Housing Authority of the City of Rockport (Authority) is a public body and a body corporate and politic organized under the laws of the State of Indiana that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority was established to provide Low-Rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. Additionally, HUD has entered into Annual Contributions Contract with the Authority for the purpose of administering housing and housing relating programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**1A. Financial Reporting Entity**

The Authority's financial reporting entity comprises the following:

Primary Government:                      Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and No. 61, "The Financial Reporting Entity," and includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, there are no component units which are required to be included in the Authority's financial statements.

**1B. Basis of Presentation**

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

**Proprietary Fund Types** - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

**Enterprise Fund** - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2021

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**1B. Basis of Presentation – (Continued)**

The Authority operates the following programs in the enterprise fund:

**Public and Indian Housing** - The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

**Public Housing Capital Fund** - The purpose of this program is to provide funds annually to housing authorities for the modernization of the housing development and for management improvements.

**Public Housing CARES Act** - The CARES Act provides funding to prevent, prepare for, and respond to COVID-19, and to maintain normal operations and take other necessary actions during the period the program is impacted by the pandemic.

**1C. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**1D. Budgets**

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

**1E. Estimates and assumptions**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2021

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**1F. Assets, Deferred Outflow, Liabilities, Deferred Inflow and Equity**

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of HUD, tenant accounts receivable and accrued interest receivable.

Inventories

Inventories are valued at lower of cost or market on an average cost basis. Inventories consist primarily of maintenance materials and supplies held for consumption. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as assets when purchased and expenses when used.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$500 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	3-25 years
Site improvements	3-15 years
Furniture, equipment and machinery - administrative	3-10 years

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted asset is related to the security deposit fund under the Public and Indian Housing program.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2021

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**1F. Assets, Deferred Outflow, Liabilities, Deferred Inflow and Equity - (Continued)**

Compensated Absences

The Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term and short-term liabilities based on historical trends. Amounts not expected to be paid within the next fiscal year are classified as long-term liabilities.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred outflows of resources for pension contributions made after the actuarial measurement date and for actuarial adjustments due to the proportionate share of the contributions made to the pension liability which will be amortized over the expected average remaining service lifetime.

In addition to liabilities, the Statement of Net Position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The Authority has deferred inflows of resources relating to the net pension obligation reported in the Statement of Net Position. These deferred inflows of resources are the result of the net difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized over a five-year period on a straight-line basis.

Equity Classifications

Equity is classified as net position and displayed in two components:

- 1) Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Unrestricted net position—All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**1G. Revenues, Expenditures, and Expenses**

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Changes in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority’s compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

**2A. Program Accounting Requirements**

The Authority's complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

<b><u>Program</u></b>	<b><u>Required By</u></b>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Public Housing Capital Fund	U.S. Department of Housing and Urban Development
Public Housing CARES Act	U.S. Department of Housing and Urban Development

**2B. Deposits and Investments Laws and Regulations**

It is the Authority’s policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

**2C. Revenue Restrictions**

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<b><u>Revenue Source</u></b>	<b><u>Legal Restrictions of Use</u></b>
Public Housing Capital Fund	Modernization
Public Housing CARES Act	COVID related expenses

For the year ended September 30, 2021, the Authority complied, in all material respects, with these revenue restrictions.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

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**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

**3A. Cash Deposits and Investments**

As of September 30, 2021, the Authority had the following cash deposits and investments:

Cash deposits	\$ 32,923
Petty cash / change fund	200
Investments	<u>158,832</u>
Total	<u>\$ 191,955</u>

Following is a reconciliation of the Authority's deposit balances as of September 30, 2021:

Cash and cash equivalents	\$ 14,101
Restricted assets	19,022
Investments	<u>158,832</u>
Total	<u>\$ 191,955</u>

**Deposits**

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At September 30, 2021, the Authority's bank balances of \$35,034 were entirely covered by FDIC insurance or by the Public Deposit Insurance Fund (PDIF) which was created in 1937 to protect the public funds of the state and its political subdivisions deposited in approved financial institutions in the state of Indiana. The PDIF insures those public funds deposited in approved financial institutions which exceed the limits of coverage provided by federal deposit insurance. The fund is administered by the Indiana Board for Depositories.

**Investments**

Custodial Credit Risk - Investments

The custodial credit risk for *investments* 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 investment or collateral securities that are in the possession of an outside party. At September 30, 2021, the Authority's investment balance of \$158,832 was entirely covered by FDIC or PDIF insurance.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. As the Authority's investments consist entirely of certificate of deposits, credit risk is not applicable to the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS – (Continued)**

**3A. Cash Deposits and Investments – (Continued)**

Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer. At September 30, 2021, the concentration of the Authority’s investment (excluding cash deposits) was as follows:

<u>Type of Investment</u>	<u>Market Value</u>	<u>Maturity Date</u>
Certificate of Deposit	\$ 79,648	7/11/2022
Certificate of Deposit	79,184	7/11/2022
Total	<u>\$ 158,832</u>	

**3B. Restricted Assets**

Restricted assets at September 30, 2021 consist of the following:

<u>Type of Restricted Assets</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Security deposit	\$ <u>19,022</u>	\$ <u>----</u>	\$ <u>----</u>	\$ <u>19,022</u>

**3C. Accounts Receivable**

Receivables at September 30, 2021 consist of the following:

Tenant account receivable	\$ 18,100
Allowance for doubtful account	<u>(2,500)</u>
Tenants - net of allowance	15,600
HUD	33,873
Accrued interest	<u>106</u>
Total Accounts Receivable	<u>\$ 49,579</u>

**3D. Inventory**

Inventory at September 30, 2021 comprised of the following:

Inventory	\$ 25,956
Less: Allowance for obsolete inventory	<u>(1,298)</u>
Inventory - net of allowance	<u>\$ 24,658</u>

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS – (Continued)**

**3E. Capital Assets**

A summary of capital asset activity for the year ended September 30, 2021 is as follows:

	<b>Balance October 1, 2020</b>	<b>Additions</b>	<b>(Retirement)</b>	<b>Reclass/ Transfers in (out)</b>	<b>Balance September 30, 2021</b>
<b>Non-depreciable assets:</b>					
Land	\$ 188,342	\$ -	\$ -	\$ -	\$ 188,342
<b>Total non-depreciable assets</b>	<u>188,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,342</u>
<b>Depreciable assets:</b>					
Building	6,345,654	53,876	-	23,804	6,423,334
Equipment - administration	161,915	-	(3,000)	-	158,915
Leasehold improvements	223,008	-	-	(23,804)	199,204
<b>Total depreciable assets</b>	<u>6,730,577</u>	<u>53,876</u>	<u>(3,000)</u>	<u>-</u>	<u>6,781,453</u>
<b>Accumulated depreciation</b>	<u>(5,587,234)</u>	<u>(147,613)</u>	<u>3,000</u>	<u>-</u>	<u>(5,731,847)</u>
<b>Total depreciable assets, net</b>	<u>1,143,343</u>	<u>(93,737)</u>	<u>-</u>	<u>-</u>	<u>1,049,606</u>
<b>Capital assets, net</b>	<u>\$ 1,331,685</u>	<u>\$ (93,737)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,237,948</u>

Depreciation expense is charged to programs as follows:

	<b>Business-type Activities</b>
Public and Indian Housing	\$ 128,281
Public Housing Capital Fund	<u>19,332</u>
<b>Total depreciation expense</b>	<u>\$ 147,613</u>

**3F. Accounts Payable**

Accounts payable at September 30, 2021 consist of the following:

Vendors & contractors	\$ 19,792
Accrued utilities	4,297
Other current liabilities	3,960
PILOT	<u>54,178</u>
<b>Total Accounts Payable</b>	<u>\$ 82,227</u>

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)**

**3G. Non-Current Liabilities**

Non-current liabilities at September 30, 2021 consists of the following:

Accrued compensated absences	\$ 5,074
Net pension liability	<u>39,607</u>
<b>Total</b>	<b>\$ <u>44,681</u></b>

Changes in non-current liabilities

The following is the summary of changes in long-term liabilities:

<u>Description</u>	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2021</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ 10,222	\$ ---	\$ 5148	\$ 5,074	\$ 3,383
Net Pension Liability	<u>66,147</u>	<u>---</u>	<u>26,540</u>	<u>39,607</u>	<u>---</u>
<b>Total</b>	<b>\$ <u>76,369</u></b>	<b>\$ <u>---</u></b>	<b>\$ <u>31,688</u></b>	<b>\$ <u>44,681</u></b>	<b>\$ <u>3,383</u></b>

**3H. Inter-program Transactions and Balances**

Transfers are used to move revenues from one program to the other program in accordance with the budgetary authorizations.

Operating Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Public and Indian Housing	\$ 1,660	\$ -
Public Housing Capital Fund	<u>-</u>	<u>(1,660)</u>
<b>Total</b>	<b>\$ <u>1,660</u></b>	<b>\$ <u>(1,660)</u></b>

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2021

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**NOTE 4 – OTHER NOTES**

**4A. Pension Plan**

**Description of Defined Benefit Funds**

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

PERF DB is a cost-sharing, multiple-employer DB 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 MC DC. Refer to the Description of Defined Contribution Funds for discussion of both the PERF DC and PERF MC DC plans. A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have service in both PERF DB and either TRF Pre-'96 DB or TRF '96 DB, have the option of choosing from which of these funds they would like to retire.

INPRS financial reports are available online at <https://www.in.gov/inprs>.

**Eligibility for Pension Benefit Payment**

***Full Retirement Benefit***

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

***Early Retirement Benefit***

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

***Disability Benefit***

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

***Survivor Benefit***

If a member dies after June 30, 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.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)  
September 30, 2021

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**NOTE 4 – OTHER NOTES – (Continued)**

**4A. Pension Plan (Continued)**

***Contribution***

Contributions are determined by the Board based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.44 percent funding a supplemental reserve account for postretirement benefit increases. Contributions from employers with PERF MC DC plan members who offered PERF Hybrid prior to July 1, 2016 fund PERF DB's unfunded liability at 8.0 percent of covered payroll for the State and 7.2 percent for political subdivisions as of June 30, 2021. 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. For the year ended June 30, 2021, postretirement benefits of \$31.2 million were issued to members as a 13th check.

***INPRS Basis of Accounting***

The financial statement 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.

***Use of Estimates***

In preparing the financial statements to conform to generally accepted accounting principles, INPRS makes estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from estimates and assumptions.

***Employer Allocations***

The allocation percentages for the Housing Authority's share of the collective pension amounts as of June 30, 2021 and 2020 was based on the ratio of its contributions to the total of the employer and non-employer contributions of the group for the fiscal years ended June 30, 2021 and 2020, respectively.

At June 30, 2021 (measurement date), the Housing Authority's proportion was 0.0000301 and related wages were reported as \$165,974.

***Net Pension Liability***

At September 30, 2021 and 2020 (Authority's year-end), the Housing Authority reported a liability of \$39,607 and \$66,147 respectively, for its proportionate share of the net pension liability.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

**NOTE 4 – OTHER NOTES – (Continued)**

**4A. Pension Plan (Continued)**

***Defined Benefit Assets***

The following Defined Benefits global asset classes, target allocations and target ranges were approved by the Board 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.

To maximize the probability of achieving the target rate of return over a 30-year time horizon, INPRS’s Board of Trustees approved a new asset allocation on May 7, 2021 that included the increased use of leverage. The explicit leverage enables the Plan to obtain additional investment exposure, which results in an asset allocation that exceeds 100 percent of invested assets.

Global Asset Classes	Target Allocation	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
Commodities	8.0	6.0 to 10.0
Real Estate	7.0	3.5 to 10.5
Absolute Return	10.0	6.0 to 14.0
Risk Parity	12.0	7.0 to 17.0
<b>Total</b>	<b>100.00%</b>	

***Discount rate***

The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. The discount rate decreased from the 6.75% used on 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, 2021 actuarial valuation assumes a long-term rate of return on assets of 6.25%, 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. Deterministic projections indicate the actuarially determined contribution rate will decline over the coming years. As a result, it is presumed that the projected plan assets will be sufficient to cover the future benefit payments for current members and a detailed projection of plan assets and cash flows has not been prepared.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

**NOTE 4 – OTHER NOTES – (Continued)**

**4A. Pension Plan (Continued)**

***Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current rate:

1% Decrease (5.25%)	Discount rate (6.25%)	1% Increase (7.25%)
\$103,590	\$39,607	(\$13,763)

***Pension Expense***

For the year ended June 30, 2021, the Authority recognized pension expense of (\$13,728) 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***

At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$1,355	\$791
Net difference between projected and actual investment earnings on pension plan investments	0	51,426
Change of assumptions	19,923	8,896
Changes in proportion and differences between Employer contributions and proportionate share of contributions	20,534	23,139
Employer contributions subsequent to June 30, 2021	3,709	--
<b>Total</b>	<b>\$45,521</b>	<b>\$84,252</b>

Amounts reported as deferred outflows/(inflows) of resources related to pension will be recognized in pension expense as follows:

Year ended:	
2022	(\$15,272)
2023	(9,250)
2024	490
2025	(14,699)
2026	--
Thereafter	--

The Authority’s balance of deferred outflows of resources of \$45,521 will be included as a reduction of the collective net pension liability in future years.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

**NOTE 4 – OTHER NOTES - (Continued)**

**4B. Commitments - Construction**

At September 30, 2021, the Authority had the following pending Capital Fund project in progress:

	<u>Funds</u>		<u>Funds Expended -</u>
	<u>Approved</u>		<u>Project to Date</u>
CFP 501-17	\$ 149,719	\$	146,660
CFP 501-19	\$ 224,192	\$	144,725
CFP 501-20	\$ 239,576	\$	40,541
PH-CARES	\$ 30,774	\$	30,774

**4C. Risk Management**

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with US Specialty Insurance Co.
b. Injuries to employees (workers' compensation)	Purchased insurance with US Specialty Insurance Co. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$5,000 deductibles.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**4D. Financial Data Schedule**

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation expense and includes investment income and capital contributions in operating activities, which differs from the presentation of basic financial statements.

**4E. Subsequent Events**

Events that occur after the balance sheet date but before the financial statements were 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.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)**  
September 30, 2021

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**NOTE 4 – OTHER NOTES - (Continued)**

**4E. Subsequent Events – (Continued)**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Management evaluated the activity of the Authority through June 17, 2022 and concluded that no additional subsequent events have occurred that would require adjustment to or disclosures within these financial statements except for the one noted above.

**4F. Contingencies**

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

**4G. Economic Dependency**

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2022 federal budget.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**REQUIRED SUPPLEMENTARY INFORMATION**  
September 30, 2021

**Schedule of the Pension Plan's Proportionate Share  
of the Net Pension Liability (Asset) and Related Ratios \***

Reporting Date for Employer under GASB 68 as of June 30,	Proportion of Net Pension Liability	Proportionate share of Net Pension Liability	Covered Employee Payroll **	Proportionate share of the Net Pension Liability as a percentage of covered employee payroll	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.004060%	\$ 106,694	\$ 198,156	53.84%	84.29%
2015	0.003840%	\$ 156,399	\$ 183,770	85.11%	77.35%
2016	0.003820%	\$ 173,369	\$ 183,212	94.63%	75.35%
2017	0.004000%	\$ 178,462	\$ 198,375	89.96%	76.65%
2018	0.003870%	\$ 131,466	\$ 197,650	66.51%	78.89%
2019	0.003120%	\$ 103,118	\$ 162,352	63.52%	80.06%
2020	0.002190%	\$ 66,147	\$ 118,058	56.03%	81.45%
2021	0.003010%	\$ 39,607	\$ 165,974	23.86%	92.51%

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until 10 years of information is available.

\*\* Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**REQUIRED SUPPLEMENTARY INFORMATION – (Continued)**  
September 30, 2021

**Schedule of the Pension Plan's Contributions\***

Reporting Date for Employer under GASB 68 as of June 30,	Actuarially determined contribution [A]	Contributions in relation to actuarially determined contribution [B]	Contribution deficiency (excess) [C] = [A] - [B]	Covered employee payroll	Contribution as a percentage covered employees payroll
2014	\$ 20,227	\$ 20,227	-	198,156	10.21%
2015	\$ 20,399	\$ 20,399	-	183,770	11.10%
2016	\$ 20,113	\$ 20,113	-	183,212	10.98%
2017	\$ 22,625	\$ 22,625	-	198,375	11.41%
2018	\$ 22,137	\$ 22,137	-	197,650	11.20%
2019	\$ 18,183	\$ 18,183	-	162,352	11.20%
2020	\$ 13,223	\$ 13,223	-	118,058	11.20%
2021	\$ 18,589	\$ 18,589	-	165,974	11.20%

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**FINANCIAL DATA SCHEDULE**  
Year Ended September 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$14,101		\$14,101		\$14,101
114 Cash - Tenant Security Deposits	\$19,022		\$19,022		\$19,022
100 Total Cash	\$33,123	\$0	\$33,123	\$0	\$33,123
122 Accounts Receivable - HUD Other Projects	\$33,873		\$33,873		\$33,873
126 Accounts Receivable - Tenants	\$18,100		\$18,100		\$18,100
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,500		-\$2,500		-\$2,500
129 Accrued Interest Receivable	\$106		\$106		\$106
120 Total Receivables, Net of Allowances for Doubtful Accts	\$49,579	\$0	\$49,579	\$0	\$49,579
131 Investments - Unrestricted	\$158,832		\$158,832		\$158,832
142 Prepaid Expenses and Other Assets	\$29,809		\$29,809		\$29,809
143 Inventories	\$25,956		\$25,956		\$25,956
143.1 Allowance for Obsolete Inventories	-\$1,298		-\$1,298		-\$1,298
150 Total Current Assets	\$296,001	\$0	\$296,001	\$0	\$296,001
161 Land	\$188,342		\$188,342		\$188,342
162 Buildings	\$6,423,334		\$6,423,334		\$6,423,334
164 Furniture, Equipment & Machinery - Administration	\$158,915		\$158,915		\$158,915
165 Leasehold Improvements	\$199,204		\$199,204		\$199,204
166 Accumulated Depreciation	-\$5,731,847		-\$5,731,847		-\$5,731,847
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,237,948	\$0	\$1,237,948	\$0	\$1,237,948
180 Total Non-Current Assets	\$1,237,948	\$0	\$1,237,948	\$0	\$1,237,948
200 Deferred Outflow of Resources	\$45,521		\$45,521		\$45,521
290 Total Assets and Deferred Outflow of Resources	\$1,579,470	\$0	\$1,579,470	\$0	\$1,579,470
312 Accounts Payable <= 90 Days	\$19,792		\$19,792		\$19,792
321 Accrued Wage/Payroll Taxes Payable	\$6,149		\$6,149		\$6,149
322 Accrued Compensated Absences - Current Portion	\$3,383		\$3,383		\$3,383
333 Accounts Payable - Other Government	\$54,178		\$54,178		\$54,178
341 Tenant Security Deposits	\$19,022		\$19,022		\$19,022
342 Unearned Revenue	\$5,498		\$5,498		\$5,498
345 Other Current Liabilities	\$3,960		\$3,960		\$3,960
346 Accrued Liabilities - Other	\$4,297		\$4,297		\$4,297
310 Total Current Liabilities	\$116,279	\$0	\$116,279	\$0	\$116,279
354 Accrued Compensated Absences - Non Current	\$5,074		\$5,074		\$5,074
357 Accrued Pension and OPEB Liabilities	\$39,607		\$39,607		\$39,607
350 Total Non-Current Liabilities	\$44,681	\$0	\$44,681	\$0	\$44,681
300 Total Liabilities	\$160,960	\$0	\$160,960	\$0	\$160,960

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended September 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
400 Deferred Inflow of Resources	\$84,252		\$84,252		\$84,252
508.4 Net Investment in Capital Assets	\$1,237,948		\$1,237,948		\$1,237,948
512.4 Unrestricted Net Position	\$96,310	\$0	\$96,310		\$96,310
513 Total Equity - Net Assets / Position	\$1,334,258	\$0	\$1,334,258	\$0	\$1,334,258
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,579,470	\$0	\$1,579,470	\$0	\$1,579,470

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended September 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$421,808		\$421,808		\$421,808
70400 Tenant Revenue - Other	\$73,848		\$73,848		\$73,848
70500 Total Tenant Revenue	\$495,656	\$0	\$495,656	\$0	\$495,656
70600 HUD PHA Operating Grants	\$263,795	\$19,185	\$282,980		\$282,980
70610 Capital Grants	\$38,881		\$38,881		\$38,881
71100 Investment Income - Unrestricted	\$561		\$561		\$561
71500 Other Revenue	\$6,166		\$6,166		\$6,166
70000 Total Revenue	\$805,059	\$19,185	\$824,244	\$0	\$824,244
91100 Administrative Salaries	\$80,021	\$2,000	\$82,021		\$82,021
91200 Auditing Fees	\$5,267		\$5,267		\$5,267
91400 Advertising and Marketing	\$318		\$318		\$318
91500 Employee Benefit contributions - Administrative	\$4,467		\$4,467		\$4,467
91600 Office Expenses	\$51,555		\$51,555		\$51,555
91700 Legal Expense	\$496		\$496		\$496
91900 Other	\$18,535		\$18,535		\$18,535
91000 Total Operating - Administrative	\$160,659	\$2,000	\$162,659	\$0	\$162,659
93100 Water	\$26,178		\$26,178		\$26,178
93200 Electricity	\$86,100		\$86,100		\$86,100
93300 Gas	\$30,230		\$30,230		\$30,230
93600 Sewer	\$27,241		\$27,241		\$27,241
93000 Total Utilities	\$169,749	\$0	\$169,749	\$0	\$169,749
94100 Ordinary Maintenance and Operations - Labor	\$135,973	\$6,595	\$142,568		\$142,568
94200 Ordinary Maintenance and Operations - Materials and Other	\$45,737	\$10,590	\$56,327		\$56,327
94300 Ordinary Maintenance and Operations Contracts	\$121,275		\$121,275		\$121,275
94500 Employee Benefit Contributions - Ordinary Maintenance	\$7,499		\$7,499		\$7,499
94000 Total Maintenance	\$310,484	\$17,185	\$327,669	\$0	\$327,669
95300 Protective Services - Other	\$407		\$407		\$407
95000 Total Protective Services	\$407	\$0	\$407	\$0	\$407
96110 Property Insurance	\$33,101		\$33,101		\$33,101
96120 Liability Insurance	\$1,062		\$1,062		\$1,062
96130 Workmen's Compensation	\$4,777		\$4,777		\$4,777
96140 All Other Insurance	\$245		\$245		\$245
96100 Total insurance Premiums	\$39,185	\$0	\$39,185	\$0	\$39,185
96210 Compensated Absences	\$8,123		\$8,123		\$8,123
96300 Payments in Lieu of Taxes	\$26,629		\$26,629		\$26,629
96000 Total Other General Expenses	\$34,752	\$0	\$34,752	\$0	\$34,752

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended September 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
96900 Total Operating Expenses	\$715,236	\$19,185	\$734,421	\$0	\$734,421
97000 Excess of Operating Revenue over Operating Expenses	\$89,823	\$0	\$89,823	\$0	\$89,823
97400 Depreciation Expense	\$147,613		\$147,613		\$147,613
90000 Total Expenses	\$862,849	\$19,185	\$882,034	\$0	\$882,034
10010 Operating Transfer In	\$1,660		\$1,660	-\$1,660	\$0
10020 Operating transfer Out	-\$1,660		-\$1,660	\$1,660	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$57,790	\$0	-\$57,790	\$0	-\$57,790
11030 Beginning Equity	\$1,392,048	\$0	\$1,392,048		\$1,392,048
11190 Unit Months Available	1692		1692		1692
11210 Number of Unit Months Leased	1574		1574		1574
11270 Excess Cash	\$65,652		\$65,652		\$65,652
11620 Building Purchases	\$53,876		\$53,876		\$53,876



# Audit Solutions, LLC.

Certified Public Accountant

## **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***

Board of Commissioners  
Housing Authority of the City of Rockport  
Rockport, Indiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Housing Authority of the City of Rockport (Authority), Indiana, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued my report thereon dated June 17, 2022.

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

In planning and performing my audit of the financial statements, I considered the Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

**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 result 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.

*Audit Solutions, LLC*

Chesterfield, Missouri

June 17, 2022



# Audit Solutions, LLC.

Certified Public Accountant

## INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Housing Authority of the City of Rockport  
Rockport, Indiana

I have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Rockport (Authority) and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures 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 the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, I 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.

I 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 results of the performance of my agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

I was engaged to perform an audit for the Authority as of and for the year ended September 30, 2021 and have issued my reports thereon dated June 17, 2022. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of the audit. Further, my opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated June 17, 2022, was expressed in relation to the basic financial statements of the Authority taken as a whole.

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

This report was intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

*Audit Solutions, LLC*

Chesterfield, Missouri  
June 17, 2022

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**AGREED UPON PROCEDURES**

September 30, 2021

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<b>Procedure</b>	<b>UFRS Rule Information</b>	<b>Hard Copy Document(s)</b>	<b>Agrees</b>
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	√
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF ROCKPORT  
Rockport, Indiana

**CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES**  
September 30, 2021

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The current audit report for the year ended September 30, 2021 disclosed no audit finding.