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B45885

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

February 23, 2016

Board of Commissioners
Housing Authority of Marion
601 South Adams Street
Marion, IN 46953

We have reviewed the audit report prepared by Yeager & Boyd, LLC, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of Marion, as of June 30, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountant's 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

THE HOUSING AUTHORITY OF MARION
MARION, INDIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED JUNE 30, 2015

THE HOUSING AUTHORITY OF MARION

MARION, INDIANA

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YEAGER & BOYD, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
5501 HIGHWAY 280
BIRMINGHAM, ALABAMA 35242
(205) 991-5506
(800) 284-1338
FAX (205) 991-5450

Board of Commissioners
The Housing Authority of Marion
Marion, Indiana

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of The Housing Authority of Marion as of and for the year ended June 30, 2015, and the related notes to the 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 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 Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, 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 Authority as of June 30, 2015, 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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 15 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 performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development information and is not a required part of the financial statements. The accompanying Summary Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the basic financial statements.

The Financial Data Schedule, supplementary data and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting data and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2015 on our consideration of the Authority's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Yeager & Boyd
Birmingham, Alabama
December 4, 2015

THE HOUSING AUTHORITY OF MARION
MARION, INDIANA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of Marion
Marion, 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 Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we 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 Authority'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 Authority's financial statements are free of 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeager & Boyd
Birmingham, Alabama
December 4, 2015

THE HOUSING AUTHORITY OF MARION
MARION, INDIANA

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of Marion
Marion, Indiana

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended June 30, 2015. The Authority's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Authority'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 Authority's compliance.

Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with *OMB Circular A-133*.

Report on Internal Control Over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 *OMB Circular A-133*, 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 Authority's internal control over compliance.

A deficiency in internal control over compliance 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, 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the 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*, as defined above. 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 our testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Yeager & Boyd

Birmingham, Alabama
December 4, 2015

**THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2015**

The Housing Authority of the City of Marion's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased \$378,041 in 2015. Net Position was \$8,192,774 and \$7,814,733 for 2014 and 2015 respectively.
- Revenues increased \$42,758 during 2015, and were \$4,830,135 and \$4,872,893 for 2014 and 2015 respectively.
- Total expenses increased \$72,056 during 2015, and were \$5,178,878 and \$5,250,934 for 2014 and 2015 respectively.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

~ Management's Discussion
and Analysis ~

Basic Financial Statements

~ Authority-wide Financial Statements ~
~ Notes to Financial Statements ~

Other Required Supplementary Information

~ Required Supplementary Information ~
(Other than the MD&A)

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) are reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

The Authority's Programs

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program – a grant program funded by the Department of Housing and Urban Development as the primary sources of funding for physical and management improvements to the Authority's properties.

Central Office Cost Center (COCC) – As part of its conversion to Asset Management, the Authority established the COCC to manage and oversee the operations of the Public Housing Developments and other grant programs. Utilizing a "fee for service" approach, the COCC recognizes revenues through management and service fees charged to the other programs. Management fees cannot exceed the "safe harbor" amount established by HUD.

Housing Choice Vouchers Program – Under the Housing Choice Vouchers Program, the Board administers contracts with independent landlords that own the property. The Board subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Board to structure a lease that sets the participants' rent at 30% of household income.

Section 8 New Construction - The Section 8 New Construction Program was established by the United States Department of Housing and Urban Development in order to provide rental assistance in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing.

Other smaller programs are:

- State and Local
- Business Activities
- Resident Opportunity Supportive Services

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1
STATEMENT OF NET POSITION**

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Assets:			
Current & Restricted Assets	\$ 1,587,654	\$ 1,550,029	\$ 37,625
Capital Assets	<u>8,232,399</u>	<u>9,673,754</u>	<u>(1,441,355)</u>
Total Assets	<u>\$ 9,820,053</u>	<u>\$ 11,223,783</u>	<u>\$ (1,403,730)</u>
Liabilities:			
Current Liabilities	\$ 407,053	\$ 562,052	\$ (154,999)
Non Current Liabilities	<u>1,598,267</u>	<u>2,468,957</u>	<u>(870,690)</u>
Total Liabilities	<u>\$ 2,005,320</u>	<u>\$ 3,031,009</u>	<u>\$ (1,025,689)</u>
Net Position:			
Net Investment in Capital Assets	\$ 6,695,274	\$ 7,215,561	\$ (520,287)
Restricted Net Position	49,151	56,292	(7,141)
Unrestricted Net Position	<u>1,070,308</u>	<u>920,921</u>	<u>149,387</u>
Total Net Position	<u>\$ 7,814,733</u>	<u>\$ 8,192,774</u>	<u>\$ (378,041)</u>

Major Factors Affecting the Statement of Net Position

During 2015, current and restricted assets increased by \$37,625. The increase was primarily due to an increase in cash and receivables. Capital assets decreased primarily due to the sale of the Sandalwood property as well as depreciation expense exceeding capital asset additions. Liabilities decreased due to payments made on long-term debt, including the full payoff of the Sandalwood note balance of \$812,955 following the sale of the property.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Position, June 30, 2014	\$ 920,921
Results of Operations	(367,527)
Capital Expenditures from Operations	(225,525)
Investment Income	2,514
Proceeds from Sale of Capital Assets	176,605
Transfer from (to) Restricted Net Position	7,141
Principal and Interest Payments on Capital Debt	(256,655)
Depreciation Expense	<u>812,834</u>
Unrestricted Net Position, June 30, 2015	<u>\$ 1,070,308</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

TABLE 3

STATEMENT OF REVENUES AND EXPENSES

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 1,655,750	\$ 1,628,581	\$ 27,169
Operating Grants	2,944,597	2,707,835	236,762
Capital Grants	139,867	338,664	(198,797)
Investment Income	2,514	3,237	(723)
Loss on Disposal of Capital Assets	(36,724)	(33,525)	(3,199)
Other Revenue	166,889	185,343	(18,454)
Total Revenues	\$ 4,872,893	\$ 4,830,135	\$ 42,758
Expenses:			
Administrative Expenses	\$ 1,271,869	\$ 1,104,011	\$ 167,858
Tenant Services	7,440	8,470	(1,030)
Utilities	392,460	397,173	(4,713)
Maintenance & Operations	746,345	732,208	14,137
Protective Services	13,120	-	13,120
General Expense	304,655	374,646	(69,991)
Housing Assistance Payments	1,586,040	1,596,338	(10,298)
Interest Expense	116,171	131,611	(15,440)
Depreciation	812,834	834,421	(21,587)
Total Expenses	\$ 5,250,934	\$ 5,178,878	\$ 72,056
Excess (Deficiency) Revenues Over Expenses	\$ (378,041)	\$ (348,743)	\$ (29,298)

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES

Deficiency of revenues over expenses increased due to an increase in expenses exceeding an increase in revenues. Revenues increased mainly due to an increase in operating grants received offset by a decrease in capital grants received. Operating grants increased due to an increase in public housing operating subsidy, capital grants drawn down for operating costs and HAP subsidy received. Capital grants received decreased due to the timing and nature of the draws.

Expenses increased primarily due to an increase in administrative costs offset by a decrease in general expenses. Administrative costs increased due to an increase in salaries, benefits and travel expenses. The increase in salaries and benefits are due to employee raises, as well as the hiring on an additional financial employee. Travel expenses increased due to expenses relating to the training and travel in order to learn the new software system implemented by the Authority in the current year. General expenses decreased due to a decrease in real estate taxes as a result of the sale of the Sandalwood property. There were relatively minor changes in the other expense categories.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the Authority had \$8,232,399 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of 15% from last year.

**TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	2015	2014	Variance	% Change
Land	\$ 436,907	\$ 436,907	\$ -	0%
Buildings and Improvements	21,939,110	22,953,493	(1,014,383)	-4%
Furniture & Equipment	952,995	879,062	73,933	8%
Construction in Process	209,923	70,056	139,867	200%
Accumulated Depreciation	<u>(15,306,536)</u>	<u>(14,665,764)</u>	<u>(640,772)</u>	4%
 Net Capital Assets	 <u>\$ 8,232,399</u>	 <u>\$ 9,673,754</u>	 <u>\$ (1,441,355)</u>	 <u>-15%</u>

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, July 1, 2014	\$ 9,673,754
Additions	
Improvements - Capital Fund	139,867
Improvements - Operating	225,525
Deletions (Net)	(993,913)
Depreciation Expense	<u>(812,834)</u>
Ending Balance, June 30, 2015	<u>\$ 8,232,399</u>

DEBT ADMINISTRATION

As of year-end, the Authority had \$1,537,125 in long term debt outstanding, compared to a \$2,458,193 balance in 2014. The decrease in debt is due to the payment on debt.

TABLE 6

OUTSTANDING LONG TERM DEBT, AT YEAR-END

	<u>2015</u>	<u>2014</u>
Capital Improvements	<u>1,537,125</u>	<u>2,458,193</u>
Total	<u>\$ 1,537,125</u>	<u>\$ 2,458,193</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on supplies and other costs

FINANCIAL CONTACT

This financial report is designed to provide our residents, the citizens of Marion, Indiana, federal and state regulatory bodies with a general overview of the Marion Housing Authority's finances as of June 30, 2015. The individual to be contacted regarding this report is Leah Poland, Chief Financial Officer, at the Housing Authority of the City of Marion, 601 S. Adams Street, Marion, Indiana 46953.

THE HOUSING AUTHORITY OF MARION, INDIANA
 STATEMENT OF NET POSITION
 JUNE 30, 2015

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 658,633
Accounts Receivable	9,629
Tenants Accounts Receivable	42,790
Allowance for Doubtful Accounts	(2,222)
Investments	705,789
Prepaid Costs	67,745
Inventory, Net of Allowances	8,768
Total Current Assets	<u>1,491,132</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	61,610
Investments	34,912
Total Restricted Assets	<u>96,522</u>
<u>Capital Assets</u>	
Land	436,907
Buildings and Improvements	21,939,110
Furniture & Equipment	952,995
Construction in Progress	209,923
	<u>23,538,935</u>
(Less): Accumulated Depreciation	<u>(15,306,536)</u>
Net Capital Assets	<u>8,232,399</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,820,053</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF MARION, INDIANA
 STATEMENT OF NET POSITION
 JUNE 30, 2015

LIABILITIES, DEFERRED INFLOWS
 OF RESOURCES AND NET POSITION

	<u>Enterprise Fund</u>
<u>Current Liabilities</u>	
Accounts Payable	\$ 19,260
Accrued Wages and Payroll Taxes	12,111
Accrued Compensated Absences	14,880
Accrued Interest Payable	5,019
A/P - Other Government	91,117
Tenant Security Deposits	119,963
Unearned Revenues	18,692
Current Portion of Notes Payable	106,394
Other Current Liabilities	19,617
Total Current Liabilities	<u>407,053</u>
<u>Long Term Liabilities</u>	
Notes Payable	1,430,731
Noncurrent Liabilities	33,636
Accrued Compensated Absences	133,900
Total Long Term Liabilities	<u>1,598,267</u>
Total Liabilities	<u>2,005,320</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net Investment in Capital Assets	6,695,274
Restricted Net Position	49,151
Unrestricted Net Position	1,070,308
Total Net Position	<u>7,814,733</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,820,053</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF MARION, INDIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,655,750
Operating Grants	2,944,597
Other Revenue	166,889
Total Operating Revenues	<u>4,767,236</u>
<u>Operating Expenses</u>	
Administrative	1,271,869
Tenant Services	7,440
Utilities	392,460
Maintenance and Operations	746,345
Protective Services	13,120
General Expense	304,655
Housing Assistance Payments	1,586,040
Depreciation	812,834
Total Operating Expenses	<u>5,134,763</u>
Operating Income (Loss)	<u>(367,527)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	2,514
Loss on Disposal of Capital Assets	(36,724)
Interest Expense	(116,171)
Total Non-Operating Revenues (Expenses)	<u>(150,381)</u>
Increase (Decrease) in Net Position before Capital Contributions	<u>(517,908)</u>
Capital Contributions	<u>139,867</u>
Increase (Decrease) in Net Position	(378,041)
Net Position, Beginning	8,192,774
Net Position, Ending	<u>\$ 7,814,733</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF MARION, INDIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,625,388
Cash Received from Operating Grants	2,958,014
Cash Received from Other Sources	145,585
Cash Payments for Salaries & Benefits	(1,285,599)
Cash Payments to Vendors & Landlords	(3,119,986)
Net Cash flows provided (used) by Operating activities	<u>323,402</u>
<u>Cash flows from non-capital financing activities</u>	
Net Cash flows provided (used) by non-capital financing activities	<u>-</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	139,867
Capital Outlay	(365,392)
Proceeds Received from Sale of Capital Assets	176,605
Principal and Interest Payments on Capital Debt	(260,408)
Net cash flows provided (used) by capital and related financing activities	<u>(309,328)</u>
<u>Cash flows from investing activities:</u>	
Cash Transfer from (to) Investments	(2,336)
Cash received from earnings on investments	2,514
Net cash flows provided (used) by investing activities	<u>178</u>
Net Increase (decrease) in cash and cash equivalents	14,252
<u>Cash and cash equivalents, beginning of year:</u>	<u>705,991</u>
<u>Cash and cash equivalents, end of year:</u>	<u>\$ 720,243</u>
<u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u>	
Operating Income (Loss)	\$ (367,527)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	812,834
Bad Debt Expense	8,293
Change in Accounts Receivable	(23,259)
Change in Prepaid Costs	(6,794)
Change in Inventory	723
Change in Accounts Payable	(53,764)
Change in Accrued Expenses	(24,399)
Change in Tenant Security Deposits	(5,849)
Change in FSS Escrow	(15,455)
Change in Unearned Revenues	2,288
Change in Other Liabilities	(3,689)
Net cash provided by (used in) operating activities	<u>\$ 323,402</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF MARION
MARION, INDIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations 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.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements.

Cash

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

Accounts Receivable

Accounts receivables are carried at the amount considered by management to be collectible. Tenant accounts receivable are immaterial for further disclosures. Other accounts receivable consists of amounts due from HUD for Grant Income.

Prepaid Items

Prepaid Items consists of payments made to vendors for services that will benefit future periods.

Inventory

Inventories consist of materials and supplies that have not been used or consumed. Inventory is valued at cost and recorded as an expense when it is consumed.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements, except for inter-fund interest income and expense related to the component units.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings & Improvements	15 - 40 years
Furniture fixtures and equipment	5 - 10 years

Indirect Cost Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center, and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity and Statement No. 39 "Determining Whether Certain Organizations are Component Units.* These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has one blended component unit, which is the business activity.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk – The Housing Authority policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Housing Authority’s formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other Federally insured investments.

The Housing Authority’s cash and cash equivalents consist of cash held in checking accounts totaling \$720,043. Investments consist of certificates of deposit totaling \$740,701. The certificates of deposit bear varying interest rates and have various maturity periods, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The remaining \$200 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 990,838	\$ 990,701
Collateralized with specific securities in the Authority name which are held by the financial institution	469,906	634,608
Uncollateralized	-	-
	<u>\$ 1,460,744</u>	<u>\$ 1,625,309</u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the end of the fiscal year as follows:

<u>Type Commitment</u>	<u>Amount</u>
None of Significance	

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE E – SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, inventory valuations, and account receivable valuations. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE F - PENSION PLAN

The Authority provides pension benefits for its employees through the American United Life – One America Retirement Plan. The plan was adopted by the Board of Commissioners in 1979. Only the Board has the authority to approve any amendments to the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible for the plan after six months of service. The Authority contributes 7% of each employee's base salary to the plan. During the past year, the Authority's contributions were \$55,965. Employees are required to contribute 5% of their base salary to the plan. During the past year, the employees' contributions to the plan were \$43,680.

NOTE G – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance.

NOTE H – COMPENSATED ABSENCES

The Authority's policy allows employees to accumulate a limited amount of earned but unused annual leave. Full time permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Employees can receive payments for accumulated compensated absences. Leave accrued but not yet paid as of the end of the year is shown as a liability allocated between current and non-current.

NOTE I – CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed. Balance due for operating advances and other notes are reflected in the Statement of Assets, Liabilities and Net Position by Program, but are eliminated in the Authority's Statement of Net Position. Inter-program balances at June 30, 2015 consisted of the following:

Central Office Cost Center	\$	650,775
Section 8 Housing Choice Vouchers		(224,044)
Section 8 New Construction		(2,244)
Resident Opportunity and Supportive Services		(4,008)
Business Activities		(420,479)
	<u>\$</u>	<u>-</u>

NOTE K – HUD REPAYMENT AGREEMENT

In 2011, the Authority came to an agreement with HUD that the Authority's COCC would repay the Public Housing Program and Housing Choice Vouchers \$177,790 for "improper use of federal funds". HUD asserted that federal funds had been improperly loaned from the Public Housing Program and Housing Choice Vouchers Program to the Authority's COCC (non-federal funds). The COCC may borrow non-federal funds from the Authority but not federal funds. The Authority agreed to repay the Low Rent Public Housing program and the Section 8 Housing Choice Vouchers program \$10,035 annually for a period of 17 years from non-federal funds. At June 30, 2015, the balance on the agreement was \$127,615, all of which was owed to the Public Housing Program.

NOTE L – NOTES PAYABLE

Long-term debt at June 30, 2015, consisted of the following:

<u>Creditor and Description</u>	<u>Balance</u>
Housing Bond, Series 2006, bearing 4.30% interest at June 30, 2014, maturing January 2032, varying annual principal and interest payments of approximately \$72,000, collateralized by certain real property located in Marion, Indiana	\$ 664,839
Housing Bond, Series 2008, bearing 5.50% interest at June 30, 2014, maturing May 2033, varying annual principal and interest payments of approximately \$77,000, collateralized by certain real property located in Marion, Indiana	667,575
Note payable to local financial institution, bearing 3.10% interest, maturing June 2027, annual principal and interest payments of \$9,938, collateralized by certain real property located in Marion, Indiana	72,783
Note payable to local financial institution, bearing 5.25% interest, maturing October 2018, annual principal and interest payments of \$83,433, with a balloon payment at maturity, collateralized by certain real property located in Alexandria, Indiana. This note was paid off on May 14, 2015 with the proceeds received from the sale of the Sandalwood property.	-
Note payable to local financial institution, bearing 8.23% interest, maturing October 2019, annual principal and interest payments of \$36,508, with a balloon payment at maturity, collateralized by certain real property located in Marion, Indiana	131,928
	<u>1,537,125</u>
Less: Current Portion	<u>(106,394)</u>
Notes Payable, Non-Current	<u>\$ 1,430,731</u>

The note is payable as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2016	106,394	75,689	1,430,731
2017	112,871	70,806	1,317,860
2018	115,515	64,916	1,202,345
2019	118,416	59,860	1,083,929
2020	99,329	53,786	984,600
2021 - 2025	425,263	211,749	559,337
2026 - 2030	406,823	116,869	152,514
2031 - 2033	152,514	21,903	-
Total Payments	<u>\$ 1,537,125</u>	<u>\$ 675,578</u>	

Interest expense for the year ended June 30, 2015 was \$116,171.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – NON-CURRENT LIABILITIES

Non-current liabilities consist of the following:

	Balance <u>06/30/14</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>06/30/15</u>	Due Within <u>One Year</u>
Notes Payable	2,458,193	-	921,068	1,537,125	106,394
Accrued Compensated Absences	123,220	34,768	9,208	148,780	14,880
FSS Escrows	49,091	-	15,455	33,636	-
Total Debt	<u>\$ 2,630,504</u>	<u>\$ 34,768</u>	<u>\$ 945,731</u>	<u>\$ 1,719,541</u>	<u>\$ 121,274</u>

NOTE N – RESTRICTED ASSETS

The Authority's restricted assets consist of the following as of June 30, 2015:

FSS Escrows	\$ 33,636
Section 8 HAP Funds	14,239
Replacement Reserves	34,912
Section 8 New Construction - Service Coordinator	7,944
Local Grant Funding	5,791
	<u>\$ 96,522</u>

NOTE O – RESTRICTED NET POSITION

Restricted Net Position consist of restricted assets that do not have a related liability. The following restricted assets are included in Restricted Net Position at June 30, 2015:

Section 8 HAP Funds	14,239
Replacement Reserves	34,912
	<u>\$ 49,151</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – PROPERTY AND EQUIPMENT

A summary of Capital Assets for the Authority at June 30, 2015 is as follows:

	Low Rent Public Housing	Capital Fund	Housing Choice Vouchers	New Construction	State/Local	Business Activities	Central Office	Total Enterprise Fund
Land	\$ 251,583	\$ -	\$ -	\$ 91,928	\$ 73,227	\$ 7,025	\$ 13,144	\$ 436,907
Building and Improvements	14,393,326	-	-	2,421,024	2,083,164	2,568,214	473,382	21,939,110
Furniture and Equipment	508,248	-	36,319	123,690	2,943	23,091	258,704	952,995
Construction in Process	-	209,923	-	-	-	-	-	209,923
Less Accumulated Depreciation	(10,949,313)	-	(29,320)	(2,133,230)	(1,113,914)	(576,880)	(503,879)	(15,306,536)
Total Property and Equipment	\$ 4,203,844	\$ 209,923	\$ 6,999	\$ 503,412	\$ 1,045,420	\$ 2,021,450	\$ 241,351	\$ 8,232,399

	July 1, 2014 Balance	Additions	Transfers & Deletions	June 30, 2015 Balance
Land	\$ 436,907	\$ -	\$ -	\$ 436,907
Construction in Process	70,056	139,867	-	209,923
Total Assets not being Depreciated	506,963	139,867	-	646,830
Buildings and Improvements	22,953,493	142,436	(1,156,819)	21,939,110
Furniture and Equipment	879,062	83,089	(9,156)	952,995
Total Property and Equipment	24,339,518	365,392	(1,165,975)	23,538,935
Less Accumulated Depreciation Building and Improvements	(14,135,660)	(757,519)	162,906	(14,730,273)
Furniture and Equipment	(530,104)	(55,315)	9,156	(576,263)
Net Book Value	\$ 9,673,754	\$ (447,442)	\$ (993,913)	\$ 8,232,399

During the year, the Authority sold the Sandalwood property, a part of the business activity and paid off the associated debt for a net loss of \$44,081.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE Q – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE R – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through December 4, 2015, the date the financial statements were issued.

THE HOUSING AUTHORITY OF MARION, INDIANA
 SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
 JUNE 30, 2015

ASSETS AND DEFERRED
 OUTFLOWS OF RESOURCES

	Public Housing Program	Capital Fund Program	Housing Choice Vouchers	N/C S/R Section 8 Programs	Resident Opportunity and Supportive Services	State/ Local	Business Activities	COC Elimination	Total
<u>Current Assets</u>									
Cash and Cash Equivalents	\$ 309,416	\$ -	\$ -	\$ 25,529	\$ -	\$ 104,142	\$ 24,875	\$ 194,671	\$ 658,633
Accounts Receivable	3,135	-	1,464	-	5,030	-	-	-	9,629
Tenants Accounts Receivable	2,688	-	20,572	2,928	-	5,650	10,952	-	42,790
Allowance for Doubtful Accounts	(269)	-	-	(293)	-	(565)	(1,095)	-	(2,222)
Notes Receivable	127,615	-	-	-	-	-	-	(127,615)	-
Investments	705,789	-	-	-	1,694	3,328	7,238	-	705,789
Prepaid Costs	31,370	-	6,634	5,934	-	-	11,547	-	67,745
Inventory, Net of Allowances	-	-	-	257	-	-	-	8,511	8,768
Interprogram	-	-	-	-	-	-	-	650,775	-
Total Current Assets	1,179,744	-	28,670	34,355	6,724	112,555	41,970	865,504	1,491,132
<u>Restricted Assets</u>									
Cash and Cash Equivalents	2,922	-	44,953	7,944	-	-	-	5,791	61,610
Investments	-	-	-	34,912	-	-	-	-	34,912
Total Restricted Assets	2,922	-	44,953	42,856	-	-	-	5,791	96,522
<u>Capital Assets</u>									
Land	251,583	-	-	91,928	-	73,227	7,025	13,144	436,907
Buildings and Improvements	14,393,326	-	-	2,421,024	-	2,083,164	2,568,214	473,382	21,939,110
Furniture & Equipment	508,248	-	36,319	123,690	-	2,943	23,091	258,704	952,995
Construction in Progress	-	209,923	-	-	-	-	-	-	209,923
(Less): Accumulated Depreciation	15,153,157	209,923	36,319	2,636,642	-	2,159,334	2,598,330	745,230	23,538,935
Net Capital Assets	(10,949,313)	-	(29,320)	(2,133,230)	-	(1,113,914)	(576,880)	(503,879)	(15,306,536)
Total Capital Assets	4,203,844	209,923	6,999	503,412	-	1,045,420	2,021,450	241,351	8,232,399
<u>Deferred Outflows of Resources</u>									
Total Assets and Deferred Outflows of Resources	\$ 5,386,510	\$ 209,923	\$ 80,622	\$ 580,623	\$ 6,724	\$ 1,157,975	\$ 2,063,420	\$ 1,112,646	\$ 9,620,054

THE HOUSING AUTHORITY OF MARION, INDIANA
 SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
 JUNE 30, 2015

LIABILITIES, DEFERRED INFLOWS
 OF RESOURCES AND NET POSITION

	Public Housing Program	Capital Fund Program	Housing Choice Vouchers	N/C S/R Section 8 Programs	Resident Opportunity and Supportive Services	State/ Local	Business Activities	COCC	Elimination	Total
<u>Current Liabilities</u>										
Accounts Payable	\$ 6,507	\$ -	\$ -	\$ 1,426	\$ -	\$ -	\$ 3,133	\$ 8,194	\$ -	\$ 19,260
Accrued Wages and Payroll Taxes	2,902	-	692	1,368	346	218	462	6,123	-	12,111
Accrued Compensated Absences	6,139	-	561	476	237	338	740	6,389	-	14,880
Accrued Interest Payable	-	-	-	-	-	905	4,114	-	-	5,019
Note Payable - HUD Agreement	-	-	-	-	-	-	-	127,615	(127,615)	-
A/P - Other Government	30,865	-	-	19,854	-	-	38,662	1,736	-	91,117
Tenant Security Deposits	59,446	-	-	25,529	-	9,014	24,875	1,099	-	119,963
Unearned Revenues	9,692	-	-	4,545	-	794	3,661	-	-	18,692
Current Portion of Notes Payable	-	-	-	-	-	22,624	83,770	-	-	106,394
Other Current Liabilities	6,633	-	1,191	2,525	-	604	5,584	-	-	19,617
Interprogram	-	-	224,044	2,244	4,008	-	420,479	-	(650,775)	-
Total Current Liabilities	122,184	-	226,488	57,967	4,591	34,497	585,480	154,236	(778,390)	407,063
<u>Long Term Liabilities</u>										
Notes Payable	-	-	-	-	-	109,304	1,321,427	-	-	1,430,731
Noncurrent Liabilities	2,922	-	30,714	-	-	-	-	-	-	33,636
Accrued Compensated Absences	55,242	-	5,044	4,279	2,133	3,041	6,668	57,503	-	133,900
Total Long Term Liabilities	58,164	-	35,758	4,279	2,133	112,345	1,328,085	57,503	-	1,598,267
Total Liabilities	180,348	-	262,246	62,246	6,724	146,842	1,913,565	211,739	(778,390)	2,005,320
<u>Deferred Inflows of Resources</u>										
Net Position										
Net Investment in Capital Assets	4,203,844	209,923	6,999	503,412	-	913,492	616,253	241,351	-	6,695,274
Restricted Net Position	-	-	14,239	34,912	-	-	-	-	-	49,151
Unrestricted Net Position	1,002,318	-	(202,862)	(19,947)	-	97,641	(466,398)	659,556	-	1,070,308
Total Net Position	5,206,162	209,923	(181,624)	518,377	-	1,011,133	149,855	900,907	-	7,814,733
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 5,386,510	\$ 209,923	\$ 80,622	\$ 580,623	\$ 6,724	\$ 1,157,975	\$ 2,063,420	\$ 1,112,646	\$ (778,390)	\$ 9,820,053

**THE HOUSING AUTHORITY OF MARION, INDIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2015**

	Public Housing Program	Capital Fund Program	Housing Choice Vouchers	N/C S/R Section 8 Programs	Resident Opportunity and Supportive Services	State/ Local	Business Activities	COCC	Elimination	Total
Operating Revenues										
Dwelling Rent	\$ 520,227	\$ -	\$ -	\$ 304,498	\$ -	\$ 115,322	\$ 715,703	\$ -	\$ -	\$ 1,655,750
Operating Grants	646,481	201,940	1,805,843	244,425	45,908	719	83,449	590,967	(588,662)	2,944,697
Other Revenue	64,637	-	11,345	4,434	-	-	-	-	-	166,889
Total Operating Revenues	1,231,345	201,940	1,817,188	553,357	45,908	116,041	799,152	590,967	(588,662)	4,767,236
Operating Expenses										
Administrative	540,722	94,996	269,259	228,652	43,864	31,764	169,403	428,371	(535,162)	1,271,869
Tenant Services	4,275	-	6	1,014	-	-	374	1,771	-	7,440
Utilities	216,308	-	-	105,041	-	4,764	53,156	13,191	-	392,460
Maintenance and Operations	388,477	-	1,011	118,009	52	30,283	195,451	13,062	-	745,345
Protective Services	10,495	-	-	1,312	-	263	1,050	-	-	13,120
General Expense	141,624	-	8,747	41,869	1,992	55,772	82,447	25,704	(53,500)	304,655
Housing Assistance Payments	-	-	1,586,040	-	-	-	-	-	-	1,586,040
Depreciation	592,966	-	846	74,060	-	54,309	73,475	17,178	-	812,834
Total Operating Expenses	1,894,867	94,996	1,865,909	569,957	45,908	177,155	575,356	499,277	(588,662)	5,134,763
Operating Income (Loss)	(663,522)	106,944	(48,721)	(16,600)	-	(61,114)	223,796	91,690	-	(367,527)
Non-Operating Revenues (Expenses)										
Investment Income	2,327	-	8	149	-	9	6	15	-	2,514
Loss on Disposal of Capital Assets	-	-	7,357	-	-	-	(44,081)	-	-	(36,724)
Interest Expense	-	-	-	-	-	(11,797)	(104,374)	-	-	(116,171)
Total Non-Operating Rev/(Exp)	2,327	-	7,365	149	-	(11,788)	(148,449)	15	-	(150,381)
Increase (Decrease) in Net Position before transfers and Contributions	(661,195)	106,944	(41,356)	(16,451)	-	(72,902)	75,347	91,705	-	(517,908)
Capital Contributions										
Operating Transfers In (Out)	106,944	139,867	-	-	-	-	-	-	-	139,867
Increase (Decrease) in Net Position	(554,251)	139,867	(41,356)	(16,451)	-	(72,902)	75,347	91,705	-	(378,041)
Net Position, Beginning	5,760,413	70,056	(140,268)	534,828	-	1,084,035	74,508	809,202	-	8,192,774
Net Position Transfers	-	-	-	-	-	-	-	-	-	-
Net Position, Ending	\$ 5,206,162	\$ 209,923	\$ (181,624)	\$ 518,377	\$ -	\$ 1,011,133	\$ 149,855	\$ 900,907	\$ -	\$ 7,814,733

THE HOUSING AUTHORITY OF MARION
MARION, INDIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2015

EXPENDITURES

Low Rent Public Housing Expenditures Total CFDA Number 14.850a	<u>\$ 646,481</u>
Public Housing Capital Fund Program Total CFDA Number 14.872	<u>341,807</u>
Section 8 Housing Choice Vouchers Total CFDA Number 14.871	<u>1,805,843</u>
Section 8 New Construction Total CFDA Number 14.182	<u>244,425</u>
Resident Opportunity Supportive Services Total CFDA Number 14.870	<u>45,908</u>
TOTAL HUD EXPENDITURES	<u>3,084,464</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 3,084,464</u>

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

THE HOUSING AUTHORITY OF
MARION, INDIANA
FINANCIAL DATA SCHEDULE
JUNE 30, 2015

ASSETS	LOW RENT 14,850a	CAPITAL FUND PROGRAM 14,872	HOUSING CHOICE VOUCHERS 14,871	M/C S/R SECTION B PROGRAMS 14,182	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES 14,870	STATE/ LOCAL ACTIVITIES	BUSINESS ACTIVITIES	COCC	ELIMINATION	TOTAL
CURRENT ASSETS										
CASH										
111 CASH UNRESTRICTED	249,970	-	-	-	-	95,128	-	193,572	-	538,670
112 CASH - RESTRICTED - MODERNIZATION & DEVELOPMENT	-	-	-	-	-	-	-	-	-	-
113 CASH - OTHER RESTRICTED	2,922	-	44,953	7,944	-	-	-	5,791	-	61,610
114 CASH - TENANT SECURITY DEPOSITS	59,446	-	-	25,529	-	9,014	24,875	3,099	-	119,963
115 CASH - RESTRICTED FOR PMT OF CURRENT LIABILITIES	-	-	-	-	-	-	-	-	-	-
100 TOTAL CASH	312,338	-	44,953	33,473	-	104,142	24,875	200,462	-	720,243
ACCOUNTS AND NOTES RECEIVABLE										
121 A/R - PHA PROJECTS	-	-	-	-	-	-	-	-	-	-
122 A/R - HUD OTHER PROJECTS	573	-	-	-	5,030	-	-	-	-	5,603
124 A/R - OTHER GOVERNMENT	-	-	-	-	-	-	-	-	-	-
125 A/R - MISCELLANEOUS	2,562	-	1,464	-	-	-	-	-	-	4,026
126 A/R - TENANTS	2,688	-	20,572	2,928	-	5,650	10,952	-	-	42,790
126.1 ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS	(269)	-	-	(293)	-	(565)	(1,095)	-	-	(2,222)
126.2 ALLOWANCE FOR DOUBTFUL ACCOUNTS - OTHER	-	-	-	-	-	-	-	-	-	-
127 NOTES & MORTGAGES RECEIVABLE - CURRENT	-	-	-	-	-	-	-	-	-	-
128 FRAUD RECOVERY	-	-	-	-	-	-	-	-	-	-
128.1 ALLOWANCE FOR DOUBTFUL ACCOUNTS - FRAUD	-	-	-	-	-	-	-	-	-	-
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-	-
120 TOTAL RECEIVABLES NET OF ALLOW	5,554	-	22,036	2,635	5,030	5,085	9,857	-	-	50,197
CURRENT INVESTMENTS										
131 INVESTMENTS - UNRESTRICTED	705,789	-	-	-	-	-	-	-	-	705,789
132 INVESTMENTS - RESTRICTED	-	-	-	34,912	-	-	-	-	-	34,912
135 INVESTMENTS - RESTRICTED FOR PMT OF CURRENT LIABILITY	-	-	-	-	-	-	-	-	-	-
142 PREPAID EXPENSES AND OTHER ASSETS	31,370	-	6,634	5,934	1,694	3,328	7,239	11,547	-	67,745
143 INVENTORIES	-	-	-	257	-	-	-	8,511	-	8,768
143.1 ALLOWANCE FOR OBSOLETE INVENTORY	-	-	-	-	-	-	-	-	(650,775)	-
144 INTER PROGRAM DUE FROM	-	-	-	-	-	-	-	-	-	-
145 ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	1,055,051	-	73,623	77,211	6,724	112,555	41,970	871,295	(650,775)	1,587,664
NONCURRENT ASSETS										
CAPITAL ASSETS										
161 LAND	251,583	-	-	91,928	-	73,227	7,025	13,144	-	456,907
162 BUILDINGS	5,484,226	-	-	2,207,532	-	1,561,859	2,413,479	455,308	-	12,122,204
163 FURNITURE & EQUIPMENT - DWELLINGS	154,461	-	2,878	60,643	-	-	707	-	-	221,228
163 FURNITURE & EQUIPMENT - ADMINISTRATION	353,787	-	33,441	63,047	-	2,943	22,384	256,165	-	731,767
165 LEASEHOLD IMPROVEMENTS	8,939,100	-	-	213,692	-	521,395	154,735	18,074	-	9,816,906
167 CONSTRUCTION IN PROGRESS	-	209,923	-	-	-	-	-	-	-	209,923
168 INFRASTRUCTURE	-	-	-	-	-	-	-	-	-	-
168 ACCUMULATED DEPRECIATION	(10,949,313)	-	(29,350)	(2,133,230)	-	(1,113,914)	(576,880)	(503,879)	-	(15,306,536)
160 TOTAL CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	4,203,844	209,923	5,999	503,412	-	1,045,420	2,021,490	241,351	-	8,232,399
171 NOTES & MORTGAGES RECEIVABLE - NON-CURRENT	127,615	-	-	-	-	-	-	-	(127,615)	-
172 NOTES & MORTGAGES RECEIVABLE - NON-CURRENT - PAST-DUE	-	-	-	-	-	-	-	-	-	-
173 GRANTS RECEIVABLE - NON-CURRENT	-	-	-	-	-	-	-	-	-	-
174 OTHER ASSETS	-	-	-	-	-	-	-	-	-	-
176 INVESTMENTS IN JOINT VENTURES	-	-	-	-	-	-	-	-	-	-
180 TOTAL NON-CURRENT ASSETS	4,331,459	209,923	5,999	503,412	-	1,045,420	2,021,490	241,351	(127,615)	8,232,399
200 DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	-	-	-	-
290 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	5,386,510	209,923	80,622	580,623	6,724	1,157,975	2,063,450	1,112,646	(778,390)	9,820,053
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
311 BANK OVERDRAFT	-	-	-	-	-	-	-	-	-	-
312 A/P < 90 DAYS	6,507	-	-	1,426	-	-	3,133	8,194	-	19,260
313 A/P > 90 DAYS PAST DUE	-	-	-	-	-	-	-	-	-	-
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	2,902	-	692	1,368	346	218	462	6,123	-	12,111
322 ACCRUED COMPENSATED ABSENCES - CURRENT PORTION	6,139	-	561	476	237	338	740	6,389	-	14,880

THE HOUSING AUTHORITY OF
MARION, INDIANA
FINANCIAL DATA SCHEDULE
JUNE 30, 2015

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	N/C S/A SECTION 8 PROGRAMS	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES	STATE/LOCAL	BUSINESS ACTIVITIES	COCC	ELIMINATION	TOTAL
	14,850a	14,872	14,871	14,182	14,870					
324	ACCRUED CONTINGENCY LIABILITY									
325	ACCRUED INTEREST PAYABLE					905	4,114			5,019
331	A/P - HUD PHA PROGRAMS							127,615	(127,615)	
332	A/P - PHA PROJECTS									
333	A/P - OTHER GOVERNMENT	30,865		19,854			38,662			91,117
341	TENANT SECURITY DEPOSITS	59,446		25,529		9,014	24,875	1,099		119,963
342	UNEARNED REVENUES	9,692		4,545		794	3,661			16,692
343	CURRENT PORTION - LT DEBT - CAPITAL/MORTGAGE					22,624	83,770			106,394
344	CURRENT PORTION - LT DEBT - OPERATING BORROWINGS									
345	OTHER CURRENT LIABILITIES									
346	ACCRUED LIABILITIES - OTHER	6,633	1,191	2,525		604	5,584	3,080		19,617
347	INTER PROGRAM - DUE TO		224,044	2,244	4,008		420,479		(650,775)	
348	LOAN LIABILITY - CURRENT									
310	TOTAL CURRENT LIABILITIES	122,184	226,488	57,967	4,591	34,497	585,480	154,236	(778,390)	407,053
	NONCURRENT LIABILITIES									
351	LT DEBT, NET OF CURRENT - CAPITAL/MORTGAGE					109,304	1,321,427			1,430,731
352	LT DEBT, NET OF CURRENT - OPERATING BORROWINGS									
353	NON-CURRENT LIABILITIES - OTHER	2,922								33,636
354	ACCRUED COMPENSATED ABSENCES - NON-CURRENT	55,242	5,044	4,279	2,133	3,041	6,658	57,503		133,900
355	LOAN LIABILITY - NON-CURRENT									
350	TOTAL NONCURRENT LIABILITIES	58,164	35,758	4,279	2,133	112,345	1,328,085	57,503		1,598,267
300	TOTAL LIABILITIES	180,348	262,246	62,246	6,724	146,842	1,913,565	211,739	(778,390)	2,005,320
400	DEFERRED INFLOWS OF RESOURCES									
508.4	NET INVESTMENT IN CAPITAL ASSETS									
511.4	RESTRICTED NET POSITION	4,203,844	6,999	503,412		913,492	616,253	241,351		6,695,274
512.4	UNRESTRICTED NET POSITION	1,002,318	14,239	34,912						49,151
513	TOTAL EQUITY - NET POSITION	5,206,162	(202,862)	(19,947)		97,641	(466,398)	659,556		1,070,308
600	TOTAL LIAB., DEF. INFLOW OF RES., AND NET POSITION	5,386,510	80,622	580,623	6,724	1,187,975	2,063,420	1,112,646	(778,390)	9,820,053
70300	NET TENANT RENTAL REVENUE	507,935		287,824		111,304	643,701			1,550,764
70400	TENANT REVENUE - OTHER	12,292		16,674		4,018	72,002			104,986
70500	TOTAL TENANT REVENUE	520,227		304,498		115,322	715,703			1,655,750
70600	HUD PHA OPERATING GRANTS	646,481	1,805,843	244,425	45,908					2,944,597
70510	CAPITAL GRANTS		139,867							139,867
70710	MANAGEMENT FEE							416,111	(416,111)	
70720	ASSET MANAGEMENT FEE							32,400	(32,400)	
70730	BOOKKEEPING FEE							80,451	(80,451)	
70740	FRONT LINE SERVICE FEE							6,200	(6,200)	
70750	OTHER FEE									
70800	OTHER GOVERNMENT GRANTS									
71100	INVESTMENT INCOME - UNRESTRICTED	2,327		149			6	15		2,514
71200	MORTGAGE INTEREST INCOME									
71400	FRAUD RECOVERY		3,155					407		3,609
71500	OTHER REVENUE	64,637	8,190	4,434		672	83,449	55,398	(53,500)	163,280
71600	GAIN OR LOSS ON THE SALE OF FIXED ASSETS		7,357				(44,061)			(36,724)
72000	INVESTMENT INCOME - RESTRICTED									
70000	TOTAL REVENUE	1,233,672	1,824,553	553,506	45,908	116,050	755,077	590,982	(588,662)	4,872,893
	EXPENSES									
	ADMINISTRATIVE									
91100	ADMINISTRATIVE SALARIES	139,239	103,612	89,801	31,687	7,141	29,071	289,753		690,504
91200	AUDITING FEES	4,866	1,191	2,525		604	5,584	3,320		18,090
91300	MANAGEMENT FEE	174,749	56,436	63,995		8,385	47,628		(416,111)	
91310	BOOKKEEPING FEE	22,507	35,273	8,242		2,160	12,269		(80,451)	
91400	ADVERTISING AND MARKETING	4,261	140	1,606		41	642	186		6,876
91500	EMPLOYEE BENEFIT CONTRIBUTIONS	92,449	35,453	27,698	11,342	5,305	27,989	73,983		274,123
91600	OFFICE EXPENSES	58,754	27,479	28,031	835	6,936	36,150	50,952	(6,200)	233,015
91700	LEGAL FEE	767		198		193	1,474	3,158		3,790
91800	TRAVEL	6,374	1,212	2,765		515	6,456	6,424		23,746

THE HOUSING AUTHORITY OF
MARION, INDIANA
FINANCIAL DATA SCHEDULE
JUNE 30, 2015

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	N/C S/R SECTION B PROGRAMS	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES	STATE/LOCAL	BUSINESS ACTIVITIES	COCC	ELIMINATION	TOTAL
91810 ALLOCATED OVERHEAD										
91900 OTHER	4,356		8,253	2,791		484	2,240	2,595		21,719
92000 ASSET MANAGEMENT FEE	32,400								(32,400)	
TENANT SERVICES										
92100 TENANT SERVICES - SALARIES										
92200 RELOCATION COSTS										
92300 EMPLOYEE BENEFIT CONTRIBUTIONS										
92400 TENANT SERVICES - OTHER	4,275		6	1,024			374	1,771		7,440
UTILITIES										
93100 WATER	40,349			19,009		1,903	42,404	1,728		105,393
93200 ELECTRICITY	175,959			86,032		1,343	10,715	8,023		282,072
93300 GAS						1,318	37	3,440		4,995
93400 FUEL										
93500 LABOR										
93600 SEWER										
93700 EMPLOYER BENEFIT CONTRIBUTIONS										
93800 OTHER UTILITIES EXPENSE										
ORDINARY MAINTENANCE & OPERATIONS										
94100 ORDINARY MAINTENANCE & OPERATIONS - LABOR	157,809			47,263		2,553	63,053	1,139		278,832
94200 ORDINARY MAINTENANCE & OPERATIONS - MATERIALS	68,180		603	21,351	52	5,897	39,044	4,423		139,545
94300 ORDINARY MAINTENANCE & OPERATIONS - CONTRACTS	142,397		408	49,390		14,843	43,344	7,495		257,877
94500 EMPLOYEE BENEFIT CONTRIBUTIONS										
PROTECTIVE SERVICES										
95100 PROTECTIVE SERVICES - LABOR										
95200 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	10,495			1,312		263	1,050			13,120
95300 PROTECTIVE SERVICES - OTHER										
95500 EMPLOYEE BENEFIT CONTRIBUTIONS										
GENERAL EXPENSES										
96100 INSURANCE PREMIUMS	88,256		8,747	22,922	973	11,257	36,623	11,788		180,566
96200 OTHER GENERAL EXPENSES	3,302			902			25,975	1,009		31,188
96210 COMPENSATED ABSENCES	18,900									35,777
96300 PAYMENTS IN LIEU OF TAXES	31,013			17,818		2,951		12,907		48,831
96400 BAD DEBT - TENANT RENTS	153			227		64	7,849			8,293
96500 BAD DEBT - MORTGAGES										
96600 BAD DEBT - OTHER										
96700 INTEREST EXPENSE										
96900 TOTAL OPERATING EXPENSES	1,281,810	94,996	279,023	495,897	45,908	134,643	556,255	482,099	(588,662)	2,781,969
97000 EXCESS OPERATING REVENUE OVER OF EXP	(48,136)	246,811	1,545,530	57,609		(18,593)	198,822	109,883		2,090,924
97100 EXTRAORDINARY MAINTENANCE							50,000			70,091
97200 CASUALTY LOSSES - NON-CAPITALIZED										
97300 HOUSING ASSISTANCE PAYMENTS			1,956,040							1,586,040
97350 HAP FORTABILITY-IN										
97400 DEPRECIATION EXPENSE	592,966		846	74,060		54,309	73,475	17,178		812,834
97500 FRAUD LOSSES										
CAPITAL OUTLAYS - GOVERNMENTAL FUNDS										
97600 DEBT PRINCIPAL PAYMENT - GOVERNMENTAL FUNDS										
97700 DWELLING UNITS RENT EXPENSE										
98000 TOTAL EXPENSES	1,894,867	94,996	1,865,909	569,957	45,908	188,952	679,730	499,277	(588,662)	5,250,934
10010 OPERATING TRANSFER IN										
10020 OPERATING TRANSFER OUT	106,944	(106,944)								106,944
10030 OPERATING TRANSFERS FROM/TO PRIMARY GOVERNMENT										
10091 INTER PROJECT EXCESS CASH TRANSFER IN	130,000									130,000
10092 INTER PROJECT EXCESS CASH TRANSFER OUT	(130,000)									(130,000)
10100 TOTAL OTHER FINANCING SOURCES (USES)	106,944	(106,944)								
10000 EXCESS REVENUE OVER EXPENSES	(54,251)	139,867	(41,356)	(16,451)		(72,902)	75,347	91,705		(378,041)
11000 REQUIRED ANNUAL DEBT PRINCIPAL PAYMENTS										
11030 BEGINNING EQUITY	5,760,413	70,056	(140,266)	534,828		1,084,035	74,508	809,202		8,192,774
11040 EQUITY TRANSFERS										

THE HOUSING AUTHORITY OF
MARION, INDIANA
FINANCIAL DATA SCHEDULE
JUNE 30, 2015

	LOW RENT 14.850a	CAPITAL FUND PROGRAM 14.872	HOUSING CHOICE VOUCHERS 14.871	N/C S/R SECTION 8 PROGRAMS 14.182	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES 14.870	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	ELIMINATION	TOTAL
11040 PRIOR PERIOD ADJUSTMENT	5,206,162	209,923	(181,624)	518,377	-	1,011,133	149,855	900,907	-	7,814,733
ENDING EQUITY	-	-	-	-	-	-	-	-	-	-
11170 ADMINISTRATIVE FEE EQUITY	-	-	(195,863)	-	-	-	-	-	-	(195,863)
11180 HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	14,239	-	-	-	-	-	-	14,239
11190 UNIT MONTHS AVAILABLE	3,240	5,517	5,517	1,176	-	306	1,740	-	-	11,979
11120 # UNIT MONTHS LEASED	2,967	-	4,522	1,100	-	258	1,801	-	-	10,448
11620 BUILDING PURCHASES	-	-	-	-	-	-	-	-	-	-
11630 FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	139,867	-	-	-	-	-	-	-	139,867
11640 FURNITURE & EQUIPMENT - ADMIN PURCHASES	-	-	-	-	-	-	-	-	-	-
11650 LEASEHOLD IMPROVEMENTS PURCHASES	-	-	-	-	-	-	-	-	-	-
11660 INFRASTRUCTURE PURCHASES	-	-	-	-	-	-	-	-	-	-
13510 CFFF DEBT SERVICE PAYMENTS	-	-	-	-	-	-	-	-	-	-
13910 REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF MARION
MARION, INDIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

JUNE 30, 2015

Section I: Summary of Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified
Internal Control over financial reporting: ___ Yes X No
Are material weaknesses identified?
Are significant deficiencies that are not considered
to be material weaknesses identified? ___ Yes X None
Reported
Is noncompliance that could have a material effect
on the financial statements identified? ___ Yes X No

FEDERAL AWARDS

Internal control over major programs:
Are material weaknesses identified? ___ Yes X No
Are significant deficiencies that are not considered
to be material weaknesses identified? ___ Yes X None
Reported
Type of report issued on compliance with requirements
applicable to each major program: Unmodified
Are there any audit findings that are required to be
reported in accordance with Section 510(a) of OMB
Circular A-133? ___ Yes X No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Section 8 Housing Choice Vouchers	14.871
Public Housing Capital Fund Program	14.872

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Is the auditee identified as a low-risk auditee? ___ Yes X No

THE HOUSING AUTHORITY OF MARION
MARION, INDIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

JUNE 30, 2015

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

Section III: Federal Award Findings and Questioned Costs

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned:

None