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March 30, 2017

Board of Directors  
Fort Wayne Housing Authority  
7315 Hanna Street  
Fort Wayne, IN 46816

We have reviewed the audit report prepared by Velma Butler & Company, LTD, 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 Auditor's Report, the financial statements included in the report present fairly the financial condition of the Fort Wayne Housing Authority, 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 audit report is filed with this letter in our office as a matter of public record.

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

Paul D. Joyce, CPA  
State Examiner

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FORT WAYNE HOUSING AUTHORITY  
INDEPENDENT AUDITOR'S REPORT,  
FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED  
JUNE 30, 2015,  
INCLUDING SINGLE AUDIT REPORTS  
AND SUMMARY OF AUDITORS' RESULTS

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## FORT WAYNE HOUSING AUTHORITY (FWHA)

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**INDEPENDENT AUDITOR'S REPORT**

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Housing Authority of the City of Fort Wayne  
Fort Wayne, IN 46816

U.S. Department of Housing and Urban  
Development, Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Fort Wayne (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 as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanied financial data schedules and the schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information such as financial data schedules and schedule of expenditures of federal awards is the responsibility of management and was derived from the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects in relation to the basic 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 January 27, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

## **Summarized Comparative Information**

We previously audited the Authority's 2014 financial statements, and we expressed an unmodified opinion on those audited financial statements dated November 21, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Velma Butler & Company, Ltd.".

Velma Butler & Company, Ltd.  
Chicago, Illinois

January 27, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FORT WAYNE HOUSING AUTHORITY (FWHA)**  
**7315 Hanna Street**  
**Fort Wayne, IN 46816**  
**PHONE (260)267-9300 FAX (260) 267-9305**

To the Board of Commissioners  
Housing Authority of the City of Fort Wayne, Indiana  
Fort Wayne, IN 46816

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Housing Authority of the City of Fort Wayne, Indiana (Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2015.

We are pleased to submit the financial statements of the Authority for the year ended June 30, 2015. The accuracy of the data presented in the financial statements, as well as its completeness and fairness of presentation, is the responsibility of management. All necessary disclosures to enable the reader to gain an understanding of the Authority's financial affairs have been included in the footnotes accompanying the general purpose financial statements. The purpose of the financial statements is to provide complete and accurate financial information that complies with reporting requirements of the U.S. Department of Housing and Urban Development ("HUD") and the Governmental Accounting Standards Board.

**FINANCIAL HIGHLIGHTS**

- Total assets were \$29 million at June 30, 2015, an increase of \$1.9 million over the June 30, 2014, balance of \$27.1 million. The significant increases occurred in investments and capital assets.
- Net capital assets were \$20.4 million at June 30, 2015, an increase of \$2.4 million from the June 30, 2014, balance of \$18 million. The increase was attributed to an increase in building and improvements during the current fiscal year.
- Total liabilities were \$8.2 million at June 30, 2015, an increase of \$3 million over the June 30, 2014, balance of \$5.2 million.
- Total net position was \$20.8 million at June 30, 2015, a decrease of about \$1.1 million from prior year balance of \$21.9 million.
- Total revenue was \$21.7 million at June 30, 2015, a decrease of \$1.1 million from the June 30, 2014, balance of \$22.8 million. The decrease was primarily due to a decrease in capital grants.

- Operating expenses less depreciation were relatively the same at \$21.3 million at June 30, 2015 and June 30, 2014.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are presented in three sections: management's discussion and analysis (this section), the basic financial statements and supplementary information.

The management's discussion and analysis section includes information on the past and future accomplishments of the Authority. It focuses on analysis of the financial statements and the improvements in the Authority's management.

The financial section provides both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units.

The Authority's basic financial statements are presented as a single enterprise fund whose operations include the low rent, housing choice voucher programs, various other programs, a blended component unit and a discretely presented component unit.

***Fund Financial Statements*** are groupings of accounts used to maintain control over resources segregated for specific activities or objectives. The Authority, like other state, local, or quasi-governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority's funds only consisted of a ***Proprietary Fund***.

The Authority's ***Proprietary Fund*** is comprised of enterprise funds with "business-type" activities intended to recover all or a portion of their costs through fees and charges for services. Since the Authority maintains its activities in enterprise funds, its Proprietary Fund financial statements provide information about the activities of the Authority as a whole.

***Low-Rent Public Housing*** - Under the Low Rent Housing Program, the Authority rents units it owns to low-income families. The Low Rent Public Housing Program is operated under an annual contribution contract (ACC) with HUD, and HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of a family's adjusted gross household income. Additionally, the Authority receives various State and Local grants that are used to improve the quality of the housing offered.

***Capital Fund Program (CFP)*** - The Low Rent Public Housing Program also includes the CFP, which is the primary funding source for physical management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the authorities housing stock.

*Section 8 Housing Choice Vouchers* - The Housing Choice Voucher is the federal government's programs for assisting low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The programs are administered locally by public housing authorities (PHAs). The PHAs receive funds from HUD to administer the programs. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

*Various Other Grant Programs* - The Authority participates in Resident Opportunity for Self Sufficiency (ROSS), Housing Counseling, and receives Local funding, which assists the needs of the residents.

*Component Units* - The Authority has oversight responsibility including financial accountability, appointment of 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 Authority 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.

*Blended Component Units* - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority's Board of Commissioners of the component unit provides services entirely to the Authority.

These component units' funds are blended into those of the Authority's by appropriate activity type to compose the primary government presentation. The Authority has included as a blended component unit the activity for Housing Opportunities Program, Inc. (HOP) and Southside Senior Villas, LLC. HOP is a non-profit development corporation whose mission is to promote home ownership among participants. Southside Senior Villas, LLC is a limited liability company organized and has ownership of the project, Southside Senior Villas. These entities are blended component units because the authority owns 100 percent of both entities.

*Discretely Presented Component Units* - Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. The Authority has included as a discretely presented component unit the activity for Brooklyn Manor, L.P. This entity is shown as a discretely presented component unit because the Authority is financially accountable for it but does not have any ownership over the entity. HOP serves as one of the developers for the project. The Authority serves as the property manager for the project.

Additionally, the Authority is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments and the United States Office of Management and Budget's (OMB) *Audits of States, Local Governments, and Non-Profit Organizations* as provided in OMB Circular A-133. Information related to this single audit, including a schedule of

expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs.

## **USING THIS REPORT**

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information detailing how the Authority's net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event given rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and related financing activities.

These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from the U.S. Department of Housing and Urban Development (HUD).

## **FINANCIAL ANALYSIS OF THE AUTHORITY**

### **Net Position**

Net position represents the difference between total assets and total liabilities.

**Table 1**  
**Fort Wayne Housing Authority**  
**(in thousands dollars)**

|                                     | 2015             | 2014             | Change            | Percent of<br>Change |
|-------------------------------------|------------------|------------------|-------------------|----------------------|
| Current Assets                      | \$ 5,197         | \$ 9,052         | \$ (3,855)        | -42.6%               |
| Capital Assets                      | 14,346           | 18,029           | (3,683)           | -20.4%               |
| Other Non-Current Assets            | 90               |                  | 90                |                      |
| <b>Total Assets</b>                 | <b>\$ 19,633</b> | <b>\$ 27,081</b> | <b>\$ (7,448)</b> | <b>-27.5%</b>        |
| Current Liabilities                 | \$ 1,314         | \$ 1,360         | \$ (46)           | -3.4%                |
| Non Current Liabilities             | 6,898            | 3,856            | 3,042             | 78.9%                |
| <b>Total Liabilities</b>            | <b>8,212</b>     | <b>5,216</b>     | <b>2,996</b>      | <b>57.4%</b>         |
| Invested in Capital Assets, Net     | 13,474           | 13,899           | (425)             | -3.1%                |
| Unrestricted                        | 6,477            | 7,445            | (968)             | -13.0%               |
| Restricted                          | 875              | 521              | 354               | 67.9%                |
| <b>Total Net Position</b>           | <b>20,826</b>    | <b>21,865</b>    | <b>(1,039)</b>    | <b>-4.8%</b>         |
| <b>Total Liab. and Net Position</b> | <b>\$ 29,038</b> | <b>\$ 27,081</b> | <b>\$ 1,957</b>   | <b>7.2%</b>          |

As shown in Table 1, the Authority's total net position at June 30, 2015 was approximately \$20.8 million, a 4.8 percent decrease from the June 30, 2014 balance of \$21.9 million.

Total assets increased by 7.2 percent to approximately \$29 million. The increase was mainly due to investments and capital assets.

Total liabilities increased by \$3 million or about 57.4 percent from \$5.2 million at June 30, 2014 to \$8.2 million at June 30, 2015. The increase mainly occurred because of an increase in notes payable.

### Capital Assets

Capital assets increased by approximately \$2.4 million from \$18 million to \$20.4 million, as shown in the table below:

**Table 2**  
**Fort Wayne Housing Authority's Capital Assets**

|                             | June 30, 2014        | Additions and<br>Transfers in | June 30, 2015        |
|-----------------------------|----------------------|-------------------------------|----------------------|
| Land                        | \$ 1,840,092         | \$ 188,387                    | \$ 2,028,479         |
| Building & Improvements     | 51,154,115           | 4,711,769                     | 55,865,884           |
| Furniture and Equipment     | 2,182,704            | 224,671                       | 2,407,375            |
| Construction in Progress    | 2,244,938            | (1,233,248)                   | 1,011,690            |
| (Less) Accumulated Depr.    | (39,393,131)         | (1,477,004)                   | (40,870,135)         |
| <b>Total Capital Assets</b> | <b>\$ 18,028,718</b> | <b>\$ 2,414,575</b>           | <b>\$ 20,443,293</b> |

Depreciation expense was \$1,477,004. Construction in progress totaled \$1,011,690 and capital additions were \$5,124,827. There were no disposals in 2015.

## Debt

The Authority has five notes payable to various financial institutions totaling \$6,969,145. All notes require principal and interest payments and are secured by a mortgage on the property. Current portion of notes total \$218,758 and long term portion totals \$6,750,387. The notes mature in range from 2024 to 2049. The Authority maintains escrow deposits for repairs related to the notes.

## Change in Net Position

**Table 3**  
**Change in Fort Wayne Housing Authority's Net Position**  
**(in thousands)**

| Description                | 2015             | 2014             | Change            | Percent of Change |
|----------------------------|------------------|------------------|-------------------|-------------------|
| Operating Revenue          | \$ 21,377        | \$ 22,584        | \$ (1,207)        | -5.3%             |
| Non-Operating Revenue      | 559              | 385              | 174               | 45.2%             |
| <b>Total Revenue</b>       | <u>21,936</u>    | <u>22,969</u>    | <u>(1,033)</u>    | -4.5%             |
| Operating Expenses         | 21,498           | 21,485           | 13                | 0.1%              |
| Depreciation               | 1,477            | 1,364            | 113               | 8.3%              |
| <b>Total Expenses</b>      | <u>22,975</u>    | <u>22,849</u>    | <u>126</u>        | 0.6%              |
| Change in Net Position     | (1,039)          | 120              | (1,159)           | -965.8%           |
| Beginning Net Position     | 21,865           | 21,745           | 120               | 0.6%              |
| <b>Ending Net Position</b> | <u>\$ 20,826</u> | <u>\$ 21,865</u> | <u>\$ (1,039)</u> | -4.8%             |

As shown in Table 3, the Authority's total operating revenues, which included HUD Operating and Capital Grants, tenant rents, interest and other income decreased by \$1.2 million or 5.4 percent, while total operating expenses remained relatively steady at \$21.3 million for the year ended June 30, 2015 and June 30, 2014.

## Expenses

Total expenses, including depreciation, increased by approximately 0.4 percent, changes are shown below in Table 4:

**Table 4**  
**Fort Wayne Housing Authority's Operating Expenses**  
**(in thousands)**

| <b>Description</b>              | <b>2015</b>      | <b>2014</b>      | <b>Change</b> | <b>Percent of Change</b> |
|---------------------------------|------------------|------------------|---------------|--------------------------|
| Administrative Expenses         | \$ 2,434         | \$ 2,206         | \$ 228        | 10.3%                    |
| Tenant Services                 | 135              | 199              | (64)          | -32.2%                   |
| Utilities Expenses              | 669              | 639              | 30            | 4.7%                     |
| Ordinary Maintenance            | 1,488            | 1,312            | 176           | 13.4%                    |
| Protective Services             | 170              | 197              | (27)          | -13.7%                   |
| Insurance Expense               | 230              | 218              | 12            | 5.5%                     |
| General Expenses                | 276              | 189              | 87            | 46.0%                    |
| Housing Assistance Payments     | 15,784           | 16,231           | (447)         | -2.8%                    |
| Bad Debt                        | 94               | 95               | (1)           | -1.1%                    |
| Interest Expense                | 218              | 183              | 35            | 19.1%                    |
| Extra-Ordinary Maintenance      |                  | 16               | (16)          | -100%                    |
| Depreciation Expense            | 1,477            | 1,364            | 113           | 8.3%                     |
| <b>Total Operating Expenses</b> | <b>\$ 22,975</b> | <b>\$ 22,849</b> | <b>\$ 126</b> | <b>0.6%</b>              |

Expenses remained relatively steady for the year.

#### **BUDGETARY CONTROL**

For the operating budget, management submits a proposed budget for revenues and expenses for all programs, functions, activities, or objectives for the following fiscal year to the governing body ("Board"). The Board reviews, approves and adopts the budget. Operating monies are determined by rents and operating subsidies provided by HUD, as established by Congress. The operating subsidy is dependent on the availability of federal funds.

The Authority prepares annual five year budgets for its capital grants and project budget for other grants. Capital project budgets are approved and are adopted for five years by the Board and HUD based on Federal funding. They are then annualized to strengthen monitoring and completion benchmarks. Budgeted and actual costs are compared to the five year plan and are monitored by the Authority and HUD. Line item variances are resolved and approved by HUD.

#### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This Authority's financial report is designed to provide a general overview of the Authority's finances for all those with an interest and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carolyn Nichter, Fiscal Services Director, Housing Authority of the City of Fort Wayne, 7315 Hanna St., Fort Wayne, IN 46816 or call (260) 267-9300.

## **FINANCIAL STATEMENTS**

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)**

**EXHIBIT A**

|   | ENTERPRISE FUNDS     |                     |                     |                     | 2015<br>TOTAL        | 2014<br>TOTAL        |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
|   | LOW RENT             | SECTION 8           | OTHER<br>PROGRAMS   | COMPONENT<br>UNIT   |                      |                      |
| <b>ASSETS</b>                             |                      |                     |                     |                     |                      |                      |
| Cash and Cash Equivalents                 | \$ 2,174,212         | \$ 667,707          | \$ 83,254           | \$ 473,625          | \$ 3,398,798         | \$ 4,426,752         |
| Accounts Receivable (net allowances)      | 119,654              | 258,043             | 1,799               | 9,765               | 389,261              | 233,107              |
| Accounts Receivable - Interfund           | 120,993              |                     | 23,631              |                     | 144,624              | 246,323              |
| Investments                               | 2,594,813            | 660,601             | 947,433             |                     | 4,202,847            | 3,492,510            |
| Prepaid, Deposits and Escrows             | 132,217              | 79,827              | 657                 | 6,646               | 219,347              | 585,253              |
| Inventory (net allowances)                | 54,752               | 3,649               |                     | 2,214               | 60,615               | 68,736               |
| <b>TOTAL CURRENT ASSETS</b>               | <b>5,196,641</b>     | <b>1,669,827</b>    | <b>1,056,774</b>    | <b>492,250</b>      | <b>8,415,492</b>     | <b>9,052,681</b>     |
| Land                                      | 1,622,964            |                     | 56,010              | 349,504             | 2,028,478            | 1,840,092            |
| Building and Improvements                 | 48,941,106           | 1,373,452           | 76,815              | 5,474,512           | 55,865,885           | 51,154,115           |
| Furniture and Equipment                   | 1,864,161            | 300,620             | 72,201              | 170,393             | 2,407,375            | 2,182,704            |
| Construction in Progress                  | 1,011,690            |                     |                     |                     | 1,011,690            | 2,244,938            |
| Accumulated Depreciation                  | (39,093,731)         | (597,893)           | (110,124)           | (1,068,387)         | (40,870,135)         | (39,393,131)         |
| Total Capital Assets                      | 14,346,190           | 1,076,179           | 94,902              | 4,926,022           | 20,443,293           | 18,028,718           |
| Other Assets                              | 90,088               |                     |                     | 89,857              | 179,945              |                      |
| <b>TOTAL NON-CURRENT ASSETS</b>           | <b>14,436,278</b>    | <b>1,076,179</b>    | <b>94,902</b>       | <b>5,015,879</b>    | <b>20,623,238</b>    | <b>18,028,718</b>    |
| <b>TOTAL ASSETS</b>                       | <b>\$ 19,632,919</b> | <b>\$ 2,746,006</b> | <b>\$ 1,151,676</b> | <b>\$ 5,508,129</b> | <b>\$ 29,038,730</b> | <b>\$ 27,081,399</b> |
| <b>LIABILITIES AND NET POSITION</b>       |                      |                     |                     |                     |                      |                      |
| Accounts Payable                          | \$ 109,582           | \$ 177,870          | \$ 2,792            | \$ 12,776           | \$ 303,020           | \$ 505,764           |
| Accounts Payable - Interfund              |                      | 23,631              | 81,605              | 39,388              | 144,624              | 246,323              |
| Accrued Liabilities - Current             | 151,321              | 24,228              | 4,066               | 125,618             | 305,233              | 138,526              |
| Notes Payable - Current                   | 190,000              |                     | -                   | 28,758              | 218,758              | 330,254              |
| FSS Escrow - Current                      | 16,086               | 260,697             |                     |                     | 276,783              | 93,750               |
| Prepaid Rents                             | 31,088               | 28,856              | 84                  | 5,600               | 65,628               | 45,584               |
| <b>TOTAL CURRENT LIABILITIES</b>          | <b>498,077</b>       | <b>515,282</b>      | <b>88,547</b>       | <b>212,140</b>      | <b>1,314,046</b>     | <b>1,360,201</b>     |
| Accrued Liabilities - Non-Current         | 110,856              | 17,582              |                     |                     | 128,438              | 115,290              |
| Notes Payable - Non-Current               | 4,966,000            |                     | -                   | 1,784,387           | 6,750,387            | 3,624,274            |
| FSS Escrow - Non-Current                  | 19,560               |                     |                     |                     | 19,560               | 115,975              |
| <b>TOTAL NON-CURRENT LIABILITIES</b>      | <b>5,096,416</b>     | <b>17,582</b>       | <b>-</b>            | <b>1,784,387</b>    | <b>6,898,385</b>     | <b>3,855,539</b>     |
| <b>TOTAL LIABILITIES</b>                  | <b>5,594,493</b>     | <b>532,864</b>      | <b>88,547</b>       | <b>1,996,527</b>    | <b>8,212,431</b>     | <b>5,215,740</b>     |
| Invested in Capital Assets                | 9,190,190            | 1,076,179           | 94,902              | 3,112,877           | 13,474,148           | 13,899,062           |
| Unrestricted Net Position                 | 4,730,192            | 765,962             | 965,777             | 15,243              | 6,477,174            | 7,445,651            |
| Restricted Net Position                   | 118,044              | 371,001             | 2,450               | 383,482             | 874,977              | 520,946              |
| <b>TOTAL NET POSITION</b>                 | <b>14,038,426</b>    | <b>2,213,142</b>    | <b>1,063,129</b>    | <b>3,511,602</b>    | <b>20,826,299</b>    | <b>21,865,659</b>    |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 19,632,919</b> | <b>\$ 2,746,006</b> | <b>\$ 1,151,676</b> | <b>\$ 5,508,129</b> | <b>\$ 29,038,730</b> | <b>\$ 27,081,399</b> |

See accompanying notes to the financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE TOTAL S FOR 2014)**

**EXHIBIT B**

|  | ENTERPRISE FUNDS     |                     |                     |                     | 2015<br>TOTAL        | 2014<br>TOTAL        |
|--|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
|  | LOW RENT             | SECTION 8           | OTHER<br>PROGRAMS   | COMPONENT<br>UNIT   |                      |                      |
| <b>OPERATING REVENUES</b>                                |                      |                     |                     |                     |                      |                      |
| Net Tenant Rental Revenue                                | \$ 1,528,809         | \$                  | \$ 6,600            | \$ 344,207          | \$ 1,879,616         | \$ 1,845,362         |
| HUD Operating Grants                                     | 2,497,854            | 16,633,581          | 132,255             |                     | 19,263,690           | 20,241,580           |
| Other Income   | 89,368               | 113,879             | 21,510              | 9,224               | 233,981              | 497,380              |
| <b>TOTAL OPERATING REVENUES</b>                          | <b>4,116,031</b>     | <b>16,747,460</b>   | <b>160,365</b>      | <b>353,431</b>      | <b>21,377,287</b>    | <b>22,584,322</b>    |
| <b>OPERATING EXPENSES</b>                                |                      |                     |                     |                     |                      |                      |
| Administrative Expenses                                  | 1,529,658            | 811,825             | 35,065              | 58,095              | 2,434,643            | 2,205,589            |
| Tenant Services  | 3,830                | 75,597              | 55,717              | 119                 | 135,263              | 199,128              |
| Utilities Expenses                                       | 627,258              | 11,118              | 401                 | 30,614              | 669,391              | 639,122              |
| Ordinary Maintenance & Materials                         | 1,250,042            | 35,530              | 7,483               | 194,597             | 1,487,652            | 1,312,144            |
| Protective Services                                      | 168,186              | 455                 |                     | 1,335               | 169,976              | 196,900              |
| Insurance Expense  | 168,817              | 40,299              | 909                 | 20,550              | 230,575              | 217,948              |
| General Expenses   | 170,932              | 48,880              | 23,264              | 32,527              | 275,603              | 188,918              |
| Housing Assistance Payments                              |                      | 15,783,925          |                     |                     | 15,783,925           | 16,231,301           |
| Bad Debt   | 93,599               |                     |                     |                     | 93,599               | 95,358               |
| Interest Expense   | 116,051              |                     |                     | 101,521             | 217,572              | 183,104              |
| Extraordinary Maintenance                                |                      |                     |                     |                     | -                    | 15,743               |
| Depreciation Expense                                     | 1,262,660            | 63,241              | 2,089               | 149,014             | 1,477,004            | 1,363,656            |
| <b>TOTAL OPERATING EXPENSES</b>                          | <b>5,391,033</b>     | <b>16,870,870</b>   | <b>124,928</b>      | <b>588,372</b>      | <b>22,975,203</b>    | <b>22,848,911</b>    |
| <b>OPERATING INCOME (LOSS)</b>                           | <b>(1,275,002)</b>   | <b>(123,410)</b>    | <b>35,437</b>       | <b>(234,941)</b>    | <b>(1,597,916)</b>   | <b>(264,589)</b>     |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                 |                      |                     |                     |                     |                      |                      |
| Interest Income  | 7,504                | 1,025               | 1,225               | 190                 | 9,944                | 5,118                |
| HUD Capital Grants                                       | 548,612              |                     |                     |                     | 548,612              | 379,760              |
| <b>TOTAL NON-OPERATING REVENUES</b>                      | <b>556,116</b>       | <b>1,025</b>        | <b>1,225</b>        | <b>190</b>          | <b>558,556</b>       | <b>384,878</b>       |
| <b>INTERFUND FEES, (EXPENSES) AND TRANSFERS IN/(OUT)</b> |                      |                     |                     |                     |                      |                      |
| Interfund Revenues/Transfers In                          | 1,019,594            | 38,928              |                     | 317,155             | 1,375,677            | 2,049,212            |
| Interfund (Expenses)/Transfers (Out)                     | (959,282)            | (332,694)           | (61,296)            | (22,405)            | (1,375,677)          | (2,049,212)          |
| <b>TOTAL INTERFUNDS AND TRANSFERS</b>                    | <b>60,312</b>        | <b>(293,766)</b>    | <b>(61,296)</b>     | <b>294,750</b>      | <b>-</b>             | <b>-</b>             |
| <b>CHANGE IN NET POSITION</b>                            | <b>(658,574)</b>     | <b>(416,151)</b>    | <b>(24,634)</b>     | <b>59,999</b>       | <b>(1,039,360)</b>   | <b>120,289</b>       |
| <b>NET POSITION AT BEGINNING OF PERIOD</b>               | <b>14,697,000</b>    | <b>2,629,293</b>    | <b>1,087,763</b>    | <b>3,451,603</b>    | <b>21,865,659</b>    | <b>21,745,370</b>    |
| <b>NET POSITION AT END OF PERIOD</b>                     | <b>\$ 14,038,426</b> | <b>\$ 2,213,142</b> | <b>\$ 1,063,129</b> | <b>\$ 3,511,602</b> | <b>\$ 20,826,299</b> | <b>\$ 21,865,659</b> |

See accompanying notes to the financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)**

**EXHIBIT C**

| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   | <b>2015</b>         | <b>2014</b>         |
|---|---------------------|---------------------|
| Receipts from Tenants and Others  | \$ 21,373,449       | \$ 21,038,292       |
| Payments to Employees   | (2,576,020)         | (2,910,654)         |
| Payments to Vendors and Suppliers   | (18,154,817)        | (16,581,895)        |
| Net Cash Provided by Operating Activities   | <u>642,612</u>      | <u>1,545,743</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                     |
| (Increase)/Decrease in Investments  | (1,006,680)         |                     |
| Interest Income   | 9,944               | 2,181               |
| Net Cash (Used In) Provided by Investing Activities   | <u>(996,736)</u>    | <u>2,181</u>        |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                               |                     |                     |
| Capital Grants  | 548,612             | 379,760             |
| (Purchase) of Capital Assets  | (1,320,781)         | (937,932)           |
| (Payments) on Notes Payable   | (197,824)           | (57,509)            |
| Net Cash (Used In) Provided by Capital and Related Activities                                 | <u>(969,993)</u>    | <u>(615,681)</u>    |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>                                   | <u>(1,324,117)</u>  | <u>932,243</u>      |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FISCAL YEAR</b>                                  | <u>4,426,572</u>    | <u>3,494,329</u>    |
| <b>CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR</b>  | <u>\$ 3,102,455</u> | <u>\$ 4,426,572</u> |
| <b>Reconciliation of Unrestricted and Restricted Cash and Cash Equivalents</b>                |                     |                     |
| Total Unrestricted Cash and Cash Equivalents  | \$ 2,523,821        | \$ 3,612,847        |
| Total Restricted Cash and Cash Equivalents  | 578,634             | 813,725             |
| <b>Cash and Cash Equivalents at end of Fiscal Year</b>  | <u>\$ 3,102,455</u> | <u>\$ 4,426,572</u> |
| <b>Reconciliation of Operating Loss to Net Cash (Used) / Provided by Operating Activities</b> |                     |                     |
| Net Income/(Loss)   | \$ (1,039,360)      | \$ 120,289          |
| Adjustments To Reconcile  |                     |                     |
| Depreciation  | 1,477,004           | 1,363,656           |
| Change in Assets and Liabilities  |                     |                     |
| (Increase)/Decrease in Accounts Receivable  | (54,455)            | (107,793)           |
| (Increase)/Decrease in Material Inventory   | 8,121               | (12,328)            |
| (Increase)/Decrease in Prepaid Expenses and Deposits  | 185,961             | (96,332)            |
| Increase/(Decrease) in Accounts Payable   | (304,443)           | 240,998             |
| Increase/(Decrease) in Accrued Liabilities  | 166,707             | 44,646              |
| Increase/(Decrease) in FSS Liabilities  | 183,033             | (36,834)            |
| Increase/(Decrease) in Deferred Revenues  | 20,044              | 29,441              |
| Net Cash Provided by Operating Activities   | <u>\$ 642,612</u>   | <u>\$ 1,545,743</u> |
| <b>SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES</b>   |                     |                     |
| Interest Paid During the Year   | \$ 217,573          | \$ 122,200          |

See accompanying notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

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**Note 1 - Organization and Program Description**

The Housing Authority of the City of Fort Wayne (the Authority) was established by the City of Fort Wayne pursuant to laws of the State of Indiana to transact business and to have powers as defined therein. 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.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities and to provide funds to assist the Public Housing Authorities (PHAs) in financing the acquisition, construction, and/or leasing of housing units; to make housing assistance payments; and to make annual contributions (subsidies) to PHAs for the purpose of maintaining the low rent character of the local housing program.

The Authority is governed by a Board of Commissioners appointed by the office of the Mayor, and has governance responsibilities over all activities related to all housing activities within the City. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the Mayor, meaning they can only be removed for cause. The Authority's Board elects its own chairperson.

Additionally, the Authority operates a component unit and has oversight responsibility including financial accountability, appointment of 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 Authority 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.

As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the various program activities of the Authority. The Authority's assets, liabilities and results of operations are segregated into public housing and grant programs as follows:

**Low Rent Housing** - The low rent housing program provides subsidized housing to low income residents. The Authority is the owner of public housing units located throughout the city. The Authority receives revenue from dwelling rental income and operating subsidies and capital repair funds from HUD. "Capital Funds," provided by HUD, are used to improve the physical condition, management and operation of existing public housing developments. The low rent housing program is reported as an enterprise fund.

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

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**Section 8 Housing Choice Voucher Program** - The Authority participates in the Housing Choice Voucher Program. This program is designed to provide privately owned, decent, safe and sanitary housing to low income families. The Authority provides assistance to low income persons seeking decent, safe and sanitary housing by subsidizing rents between such persons and owners of existing private housing. Under the program, the Authority enters into housing assistance payment contracts with eligible landlords. To fund the program, the Authority enters into annual contribution contracts with HUD for the receipt of rental subsidies. The Housing Choice Voucher program is also reported as an enterprise fund.

**Various Other Grant Programs** - The Authority participates in Resident Opportunity for Self Sufficiency (ROSS), Housing Counseling, and receives Local funding, which assists the needs of the residents.

**Blended Component Units** - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority's Board of Commissioners of the component unit provides services entirely to the Authority.

These component units' funds are blended into those of the Authority's by appropriate activity type to compose the primary government presentation. The Authority has included as a blended component unit the activity for Housing Opportunities Program, Inc. (HOP) and Southside Senior Villas, LLC. HOP is a non-profit development corporation whose mission is to promote home ownership among participants. Southside Senior Villas, LLC is a limited liability company organized and has ownership of the project, Southside Senior Villas. These entities are blended component units because the authority owns 100 percent of both entities.

**Discretely Presented Component Units** - Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. The Authority has included as a discretely presented component unit the activity for Brooklyn Manor, L.P. This entity is shown as a discretely presented component unit because the Authority is financially accountable for it but does not have any ownership over the entity. HOP serves as one of the developers for the project. The Authority serves as the property manager for the project.

**A. Reporting Entity**

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units.

In determining the financial reporting entity, the Authority complies with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB No. 39 "The Financial Reporting Entity". The basis criterion for including a legally separate organization as a component unit is the degree of financial accountability the Authority has with the

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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organization. These principles define the reporting entity of the primary government, as well as its component units.

The Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low income and elderly persons. Most funding is provided by the United States Department of Housing and Urban Development (HUD). All funds and programs are included in these statements.

The Authority complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements for propriety fund, Financial Accounting Standards Board (FASB) pronouncement and Accounting Principles Board opinions issued on or before November 31, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

In June 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Changes caused by Statement 34 include the following:

(1) The financial report includes a "Management Discussion and Analysis (MD&A)" section which provides an analysis of the overall financial position and results of operations.

For enterprise funds, GASB Statements Nos. 20 and 34 provide the Authority the option of electing to apply FASB pronouncements issued after November 30, 1989, except for those that conflict with or contradict a GASB pronouncement.

This and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

*Enterprise Funds* - are accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. The Authority elected not to adopt provisions of GASB 20, paragraph 7, which states that all FASB statements and interpretations issued after November 30, 1989, can be applied.

**C. Fund Accounting**

Accounts are organized on the basis of funds. Each fund represents a separate program with a separate set of self-balancing accounts. All funds are reported as enterprise funds and are grouped as follows:

- PHA-Owned Housing consists of HUD-financed public housing owned by the Authority. Individual funds account for activities of the low-rent housing program, each capital fund phase, and the central office cost center. The funds are collectively as low rent housing.

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

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- Section 8 Program consists of HUD payment of rents for tenants in privately owned housing and fees to the housing authority for operating the program. An individual fund is use for the Housing Choice Voucher Program.
- Various other programs which the Authority operates, including Residential Opportunity and Self Sufficiency, blended component units, and other various state and local programs are accounted for in individual funds.

**Budgets** - For the operating budget, management submits a proposed budget for revenues and expenses for all programs, functions, activities, or objectives for the following fiscal year to the governing body ("Board"). The Board reviews, approves and adopts the budget. Operating monies are determined by rents and operating subsidies provided by HUD, as established by Congress. The operating subsidy is dependent on the availability of federal funds.

The Authority prepares annual five year budgets for its capital grants and project budget for other grants. Capital project budgets are approved and are adopted for five years by the Board and HUD based on Federal funding. They are then annualized to strengthen monitoring and completion benchmarks. Budgeted and actual costs are compared to the five year plan and are monitored by the Authority and HUD. Line item variances are resolved and approved by HUD.

**Management's Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** - Cash and cash equivalents include all demand deposits, saving accounts and certificates of deposits or short-term investments with a maturity date of three months or less.

**Net Position** - During 2001, the Authority adopted GASB Statement No. 33. In accordance with GASB Statement No. 33 capital contributions are recognized as revenue when expenditures are made and amounts become subject to claim for reimbursement. Depreciation recorded on property, plant, and equipment acquired with funds recorded as contributed capital in years prior to 2000 is calculated on a straight-line basis over the estimated useful life of the related assets, charged to operations, and reclassified to the related contributed capital account. The net book values of assets disposed are written off against contributed capital if no proceeds from the disposal are received. Depreciation recorded on other property, plant, and equipment is charged to operations. Net position includes the following:

(1) Investment in capital assets, net of related debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

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outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

(2) Restricted for federal programs - the component of net position that reports the amount of revenue from a federal or state award for service programs in excess of expenditures. These funds are restricted for the use of the related federal or state program.

(3) Unrestricted - The difference between the assets and liabilities that is not reported in the net position invested in capital, net of related debt or net position restricted for federal and state programs.

**Restricted Cash** - Restricted assets include cash legally restricted as to their use. The primary restricted assets are related to the low rent, housing opportunity program, component unit and housing choice voucher program for various funds restricted for tenants. The housing choice voucher program has additional restricted funds for future housing assistance payments.

**Inter-program Due to/from** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund balance sheet.

**Investments** - Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Federal statutes authorize investment of excess federal funds in instruments guaranteed by the federal government. The Authority has adopted this policy for all invested funds, whether or not they are federal funds.

**Receivables** - Receivables consist of all revenues earned at year-end but not yet received. Allowances for uncollectible receivables are based on historical trends and periodic aging of receivables.

**Inventories** - Inventories are valued at average cost and cost of expendable supplies held for consumption. The cost of inventories are recorded as expenditures when consumed, rather than when purchased.

**Federal Awards** - Federal grants for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Awards received prior to meeting revenue recognition criteria are recorded as deferred revenue. Operating grants are recorded as revenue in the year earned.

**Capital Assets** - Capital Assets consist of assets purchased or acquired at a cost of \$5,000 or greater. All capital assets are stated at historical costs or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Capital assets depreciated using straight-line method of depreciation over their estimated useful lives as follows:

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

|                                     |              |
|-------------------------------------|--------------|
| Building                            | 40 years     |
| Building Improvements               | 7 - 40 years |
| Furniture, Equipment<br>& Machinery | 3 - 10 years |

**Compensated Absences** - The Authority allows regular full-time employees to accumulate the following compensated absences.

Unused vacation leave is paid upon termination. The liability for these compensated absences is recorded as short-term and long-term liabilities based on historical trends.

Regular full-time employees are advanced a total of six (6) personal/sick day per year, beginning January 1st of each year. Employees hired after January 1<sup>st</sup>, whether full time or part time, accrue at a rate of .02307 hours per pay period from the beginning date of employment until January 1st of the next year.

Employees who accumulate sick leave up to 1,000 hours and 10 years of service and retire or is voluntarily terminated will be paid 1 hour for every 3 hours of leave accumulated. Employee with less than 1,000 hours will be paid \$1 for each accumulated hour.

No employee has reached the 1,000 hour limit, therefore no liability is recorded for accumulating rights of the employees to receive sick pay benefits.

**Compliance** - The Authority is subject to various federal, state and local laws and regulations and contractual regulations.

**Component Unit** - The Authority's discretely presented component unit has a fiscal year end of December 31, 2014, which is audited by another accounting firm. The financials from that audit report are relied on for this reporting period.

**Note 2 - Budget Information**

The Authority is required by contractual agreements to adopt annual operating budgets for all its enterprise funds receiving federal expenditure awards. The Director of Finance prepares all budgets on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. Operating budgets are not prepared for capital projects activity, which is included in the low rent housing enterprise fund. Budgets are submitted by the Authority's Executive Director and approved by resolutions of the Board of Commissioners.

**Enterprise Funds** - All enterprise fund operating budgets are prepared for the upcoming year by the end of the current fiscal year and are approved by the Authority's Board of Commissioners and/or HUD. Appropriations for capital projects are authorized at the fund and expenditure level, and effective budgetary control is achieved through periodic budgeting and reporting requirements.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Note 3 - Cash and Cash Equivalents**

Cash and cash equivalents totaled \$3,398,798 at June 30, 2015, and are maintained in commercial checking accounts and are readily available. Amounts in excess of \$500,000 are swept into investment accounts daily. HUD regulations require authorities to maintain funds in accounts that are fully collateralized by United States government securities. Cash amounts in excess of the \$250,000 insured by the government were collateralized by government securities and held in the pledging financial institutions' trust departments in the Authority's name.

|                          |                            |
|--------------------------|----------------------------|
| Unrestricted Cash        | \$ 2,523,821               |
| Restricted Cash          |                            |
| Tenant Security Deposits | 95,668                     |
| Housing Assistance       | 110,304                    |
| FSS Escrow               | 296,343                    |
| Financing                | 372,662                    |
| Total Restricted Cash    | <u>874,977</u>             |
| Total Cash               | <u><u>\$ 3,398,798</u></u> |

**Note 4 - Accounts Receivable**

At June 30, 2015, accounts receivable totaled \$533,885, and consisted of the following:

|                                    |                          |
|------------------------------------|--------------------------|
| Accounts Receivable - Tenants, Net | \$ 15,557                |
| Accounts Receivable - HUD          | 50,920                   |
| Accounts Receivable - Others       | 322,784                  |
| Total                              | <u>\$ 389,261</u>        |
| Accounts Receivable - Interfund    | 144,624                  |
| Total                              | <u><u>\$ 533,885</u></u> |

The Authority reviews the accounts receivable periodically. In fiscal year 2015, the Authority wrote off \$93,599 in receivables, which were deemed uncollectible.

Total accounts receivable inter-fund was \$144,624 at June 30, 2015, and was offset by the accounts payable inter-fund of the same amount.

**Note 5 - Investments**

At June 30, 2015, investments totaled \$4,202,847, which consisted of certificates of deposit, bonds, and money markets. The Authority's investments are stated at fair value at year-end. Fair values and unrealized gain/(loss) are summarized as follows:

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2015

| Description              | Category 1          |                     | Unrealized<br>Gain/(Loss) |
|--------------------------|---------------------|---------------------|---------------------------|
|                          | Book<br>Value       | Market<br>Value     |                           |
| Certificates of Deposits | \$ 709,659          | \$ 709,659          | \$ -                      |
| Money Market             | 3,439               | 3,439               | -                         |
| Bonds                    | 3,489,749           | 3,489,749           |                           |
| Total                    | <u>\$ 4,202,847</u> | <u>\$ 4,202,847</u> | <u>\$ -</u>               |

Category 1 - Investments are insured by the Federal Depositor Insurance Corporation and are further fully collateralized by government security and held in the pledging financial institution's trust department in the Authority's name.

**Note 6 - Prepaid Expenses**

Prepaid expenses totaled \$219,347 at June 30, 2015, and consisted of primarily prepaid insurances and real estate escrow deposits.

**Note 7 - Material Inventories**

Material Inventories at June 30, 2015 totaled \$60,615 as follows:

|                         |                  |
|-------------------------|------------------|
| Materials Inventory     | \$ 67,963        |
| Allowance for Inventory | (7,348)          |
| Total                   | <u>\$ 60,615</u> |

Inventories are valued at average cost and cost of expendable supplies held for consumption. The cost of inventories is recorded as expenditures when consumed.

**Note 8 - Land, Structures and Equipment**

The changes in land, structures and equipment for the year ended June 30, 2015, were as follows:

|                          | June 30, 2014        | Additions and<br>Transfers in | June 30, 2015        |
|--------------------------|----------------------|-------------------------------|----------------------|
| Land                     | \$ 1,840,092         | \$ 188,387                    | \$ 2,028,479         |
| Building & Improvements  | 51,154,115           | 4,711,769                     | 55,865,884           |
| Furniture and Equipment  | 2,182,704            | 224,671                       | 2,407,375            |
| Construction in Progress | 2,244,938            | (1,233,248)                   | 1,011,690            |
| (Less) Accumulated Depr. | (39,393,131)         | (1,477,004)                   | (40,870,135)         |
| Total Capital Assets     | <u>\$ 18,028,718</u> | <u>\$ 2,414,575</u>           | <u>\$ 20,443,293</u> |

Depreciation expense was \$1,477,004. Construction in progress totaled \$1,011,690 and capital additions were \$5,124,827. There were no disposals in 2015.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Note 9 - Other Assets**

Other assets totaled \$179,945 at June 30, 2015, and consisted of insurance and financing deposits.

**Note 10 - Accounts Payable**

Accounts payable totaled \$447,644 at June 30, 2014, which consisted of the following:

|                              |    |                       |
|------------------------------|----|-----------------------|
| Accounts Payable - Vendors   | \$ | 221,167               |
| Tenant Security Deposits     |    | 81,853                |
| Total Accounts Payable       |    | <u>303,020</u>        |
| Accounts Payable - Interfund |    | 144,624               |
| Total                        | \$ | <u><u>447,644</u></u> |

Total accounts payable inter-fund was \$144,624 at June 30, 2015, and was offset by the accounts receivable inter-fund.

**Note 11 - Accrued Liabilities**

Accrued liabilities totaled \$433,671, at June 30, 2015, and consisted of accrued wages and other accrued liabilities and compensated absences, as follows:

|                                  |    |                       |
|----------------------------------|----|-----------------------|
| Accrued Wages                    | \$ | 90,922                |
| Accrued Liabilities - Others     |    | 200,040               |
| Accrued Comp. Abs. - Current     |    | 14,271                |
| Total Accrued Wages and Others   | \$ | <u>305,233</u>        |
| Accrued Comp. Abs. - Non-Current |    | 128,438               |
| Total Accrued Liabilities        |    | <u><u>433,671</u></u> |

The Authority recognizes leave taken as a current year's salary expense during the year in which the leave is taken. Vacation pay is accrued for and recognized in the financial statements as an accrued liability and unused vacation is paid upon termination. Future payments for accrued compensated absences are shown above.

**Note 12 - Notes Payable**

Notes payable at June 30, 2015 totaled \$6,969,145 and consisted of five notes payable to various financial institutions. Current portions due was \$218,758. See below for breakdown of current portion due:

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

| Description                          | LOCCS<br>Bond       | Component<br>Unit   | Star Loan         | Financing<br>Agreement | EPC Debt<br>Bond    | Total               |
|--------------------------------------|---------------------|---------------------|-------------------|------------------------|---------------------|---------------------|
| Notes Payable 6/30/2015              | \$ 2,335,000        | \$ 1,296,786        | \$ 166,359        | \$ 350,000             | \$ 2,821,000        | \$ 6,969,145        |
| (Less) Current Portion (Due 6/30/16) | (190,000)           | (18,180)            | (10,578)          |                        |                     | (218,758)           |
| Total Long Term Notes Payable        | <u>\$ 2,145,000</u> | <u>\$ 1,278,606</u> | <u>\$ 155,781</u> | <u>\$ 350,000</u>      | <u>\$ 2,821,000</u> | <u>\$ 6,750,387</u> |

Aggregate maturities of long-term debt due are \$6,750,387. Future payments in each of the following years are as follows:

| Future Payments of Long Term Debt | Total               |                     |                   |                   |                     |                     |
|-----------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| June 30, 2017 \$                  | 200,000             | \$ 18,540           | \$ 11,303         | \$                | 40,000              | \$ 269,843          |
| June 30, 2018                     | 205,000             | 19,286              | 12,076            |                   | 47,000              | 283,362             |
| June 30, 2019                     | 215,000             | 20,062              | 12,903            |                   | 55,000              | 302,965             |
| June 30, 2020                     | 225,000             | 20,868              | 13,786            |                   | 63,000              | 322,654             |
| Thereafter                        | 1,300,000           | 1,199,849           | 105,713           | 350,000           | 2,616,000           | 5,571,562           |
| Total Future Payments             | <u>\$ 2,145,000</u> | <u>\$ 1,278,606</u> | <u>\$ 155,781</u> | <u>\$ 350,000</u> | <u>\$ 2,821,000</u> | <u>\$ 6,750,387</u> |

The Authority obtained a loan in the form of bonds payable due to Wells Fargo Bank Minnesota, N.A. for the construction of properties owned by the Authority. The bond bears an interest rate of 4.70 percent per annum, and matures on September 1, 2024. The bond is secured by a deed of trust on the property. As of June 30, 2015, the outstanding portion of the bond was \$2,335,000.

In March 2014, Brooklyn Manor, L.P., the component unit, refinanced its mortgage with American Bank and Trust. The new mortgage is with P/R Mortgage & Investment in the amount of \$1,310,000. The interest rate is 3.95 percent annually and matures on April 1, 2049. Principal and interest payments are \$5,761.13. The note is secured by the real estate. As of June 30, 2015, the outstanding balance was \$1,296,786.

The Authority obtained a construction to permanent loan from Star Financial Bank for the construction of properties owned by the Authority. The construction loan amount was for \$450,000. The balance turned into a permanent loan on November 15, 2014 for the amount of \$197,943. 179 monthly consecutive principal and interest payments began December 15, 2014 using an interest rate of 6.64%. As of June 30, 2015, the balance was \$166,359.

The Authority also has a financing agreement with Federal Home Loan Bank for \$350,000 subject to the Affordable Housing Program to be used for construction projects. As of June 30, 2015, the outstanding balance on this loan was \$350,000.

The Authority obtained a lease purchase agreement in the form of bonds payable. The agreement bears an interest rate of 4.75 percent per annum, and matures on January 1, 2035. As of June 30, 2015, the outstanding portion of the bond was \$2,821,000.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Note 13 - Deferred Revenue**

At June 30, 2015, the Authority had \$65,628 of deferred revenue, which consisted of prepaid rents.

**Note 14 - FSS Escrow**

At June 30, 2015 the Authority had Family and Self Sufficiency (FSS) escrow of \$296,343 of amounts due to tenants. Future payments for FSS escrows are as follows:

|                        |                   |
|------------------------|-------------------|
| Current FSS Escrow     | \$ 276,783        |
| Non-Current FSS Escrow | 19,560            |
| Total                  | <u>\$ 296,343</u> |

**Note 15 - Employee Benefit Plans**

During August 1990, the Authority created the governmental 457(b) Deferred Compensation plan (the Plan) which is sponsored by the Authority and is an employer provided retirement plan. Its sole purpose is to offer an alternative for the Authority employees upon retirement.

The Plan Document addresses all of the provisions of the plan. The Authority also has a Lincoln Representative to review these and other provisions prior to the employee electing to begin deferring into the Plan.

The Plan is funded by employee contributions on a bi-weekly basis from paycheck. The employees can contribute a set dollar amount or 1% to 15% of their bi-weekly paycheck. In no event can those contributions exceed \$18,000 annually.

The Plan is also funded by the Authority who contributes 3% of salary for those that elect to participate and will match 50% of the employee contributions up to 6%. For the fiscal period ended June 30, 2015, the Authority made contributions to the Plan under these terms in the amount of \$91,466.

The total plan assets at June 30, 2015, were \$799,452, as follows:

| <u>Description</u>     | <u>Amount</u>     |
|------------------------|-------------------|
| Beginning Balance      | \$ 697,372        |
| Additions              | 177,487           |
| Withdrawals            | (59,433)          |
| Changes in Investments | (5,535)           |
| Fees and Charges       | (10,439)          |
| Ending Balance         | <u>\$ 799,452</u> |

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Note 16 - Administrative Fees**

The Authority receives an "Administrative Fee" as part of each of the annual contributions contract from HUD to cover the costs (including overhead) of administering the Housing Choice Voucher Housing Assistance programs.

**Note 17 - Allocation of Cost**

The Authority allocates expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units or staff in each program. Management considers this to be an equitable method of allocation.

**Note 18 - Subsequent Events**

Management has performed an analysis of activities and transactions subsequent to June 30, 2015, to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended June 30, 2015. Management has performed their analysis through January 27, 2016, the date the financial statements were issued.

**SUPPLEMENTAL INFORMATION**

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT D

| FEDERAL GRANTOR   | PROGRAM<br>OR AWARD<br>CFDA # | FEDERAL<br>AWARDS<br>EXPENDED | TOTAL<br>PROGRAM<br>EXPENDITURES |
|---|-------------------------------|-------------------------------|----------------------------------|
| <b>Major Programs</b>                                   |                               |                               |                                  |
| <u>U.S. Department of Housing and Urban Development</u> |                               |                               |                                  |
| Low Rent Housing Program                                |                               |                               |                                  |
| Low Rent Housing Programs                               | 14.850                        | \$ 1,944,050                  | \$ 5,247,900                     |
| Capital Fund Program                                    | 14.872                        | <u>1,102,416</u>              | <u>1,102,416</u>                 |
| Total Low Rent Housing Programs                         |                               | 3,046,466                     | 6,350,316                        |
| Housing Assistance Payment Programs                     |                               |                               |                                  |
| Housing Choice Voucher Program                          | 14.871                        | <u>16,594,254</u>             | <u>17,164,637</u>                |
| Total Housing Assistance Payments Programs              |                               | 16,594,254                    | 17,164,637                       |
| Total Major Programs                                    |                               | <u>19,640,720</u>             | <u>23,514,953</u>                |
| <b>Non-Major Programs</b>                               |                               |                               |                                  |
| <u>U.S. Department of Housing and Urban Development</u> |                               |                               |                                  |
| Residential Opportunity and Self Sufficiency            | 14.870                        | 132,255                       | 132,255                          |
| Housing Counseling Assistance Program                   | 14.169                        | <u>503</u>                    | <u>503</u>                       |
| Total HUD Programs                                      |                               | 132,758                       | 132,758                          |
| Total Non-Major Programs                                |                               | 132,758                       | 132,758                          |
| <b>Total All Programs</b>                               |                               | <u>\$ 19,773,478</u>          | <u>\$ 23,647,711</u>             |

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Fort Wayne, Indiana (Authority) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the Authority's consolidated financial statements.

The schedule summarizes the federal funds expended by the Authority under the programs of the federal government during the year ended June 30, 2015. The awards are classified into major and non-major program categories in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States Local Governments and Non-Profit Organizations*. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended June 30, 2015, and should be read in conjunction with the Authority's consolidated financial statements.

**Note 2 - Sources of Funding**

The schedule includes all grants and contracts entered into directly between the Authority and agencies and departments of the federal government, as well as federal funds passed-through to the Authority by primary recipients. The Authority provided no part of its direct grant federal dollars to sub-recipients.

**Note 3 - Sub-recipients**

There were no sub-recipients for the year ended June 30, 2015.

**Note 4 - Loans Outstanding**

There were no federal loans outstanding for the year ended June 30, 2015.

**Note 5 - Non-Cash Assistance**

The Authority provided no non-cash assistance for the year ended June 30, 2015.

**Note 6 - Insurance**

The Authority had no federal insurance for the year ended June 30, 2015.

Fort Wayne Housing Authority (IN003)

FORT WAYNE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

|   | Project Total | 6.2 Component Unit - Blended | 2 State/Local | 14.870 Resident Opportunity and Supportive Services | 6.1 Component Unit - Discretely Presented | 14.169 Housing Counseling Assistance Program | 8 Other Federal Program 1 | 14.871 Housing Choice Vouchers | COCC         | Subtotal      | ELIM       | Total         |
|---|---------------|------------------------------|---------------|---|---|--|---------------------------|--------------------------------|--------------|---------------|------------|---------------|
| 111 Cash - Unrestricted   | \$1,257,543   | \$17,589                     | \$0           | \$0   | \$70,653                                  | \$19,161                                     | \$63,543                  | \$533,771                      | \$857,903    | \$2,820,163   |            | \$2,820,163   |
| 112 Cash - Restricted - Modernization and Development             | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 113 Cash - Other Restricted                                       | \$0           | \$0                          | \$0           | \$0   | \$372,662                                 | \$0  | \$0                       | \$110,304                      |              | \$482,966     |            | \$482,966     |
| 114 Cash - Tenant Security Deposits                               | \$82,399      | \$1,900                      | \$0           | \$0   | \$10,820                                  | \$0  | \$550                     |                                |              | \$95,669      |            | \$95,669      |
| 115 Cash - Restricted for Payment of Current Liabilities          | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 100 Total Cash  | \$1,339,942   | \$19,489                     | \$0           | \$0   | \$454,135                                 | \$19,161                                     | \$64,093                  | \$644,075                      | \$857,903    | \$3,398,798   | \$0        | \$3,398,798   |
| 121 Accounts Receivable - PHA Projects                            | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$78,364                       |              | \$78,364      |            | \$78,364      |
| 122 Accounts Receivable - HUD Other Projects                      | \$49,121      | \$0                          | \$0           | \$1,799   | \$0                                       | \$0  | \$0                       |                                |              | \$50,920      |            | \$50,920      |
| 124 Accounts Receivable - Other Government                        | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 125 Accounts Receivable - Miscellaneous                           | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$179,678                      | \$64,742     | \$244,420     |            | \$244,420     |
| 126 Accounts Receivable - Tenants                                 | \$24,041      | \$1,737                      | \$0           | \$0   | \$9,031                                   | \$0  | \$0                       |                                |              | \$34,809      |            | \$34,809      |
| 126.1 Allowance for Doubtful Accounts - Tenants                   | -\$18,248     | \$0                          | \$0           | \$0   | -\$1,003                                  | \$0  | \$0                       |                                |              | -\$19,251     |            | -\$19,251     |
| 126.2 Allowance for Doubtful Accounts - Other                     | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0          | \$0           |            | \$0           |
| 127 Notes, Loans, & Mortgages Receivable - Current                | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 128 Fraud Recovery  | \$19,190      | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$147,957                      |              | \$167,147     |            | \$167,147     |
| 128.1 Allowance for Doubtful Accounts - Fraud                     | -\$19,190     | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | -\$147,957                     |              | -\$167,147    |            | -\$167,147    |
| 129 Accrued Interest Receivable                                   | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts    | \$54,914      | \$1,737                      | \$0           | \$1,799   | \$8,028                                   | \$0  | \$0                       | \$258,042                      | \$64,742     | \$389,262     | \$0        | \$389,262     |
| 131 Investments - Unrestricted                                    | \$2,330,119   | \$0                          | \$947,433     | \$0   | \$0                                       | \$0  | \$0                       | \$399,904                      | \$229,048    | \$3,906,504   |            | \$3,906,504   |
| 132 Investments - Restricted                                      | \$35,646      | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$260,697                      |              | \$296,343     |            | \$296,343     |
| 135 Investments - Restricted for Payment of Current Liability     | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 142 Prepaid Expenses and Other Assets                             | \$114,938     | \$1,106                      | \$427         | \$0   | \$5,540                                   | \$0  | \$229                     | \$79,827                       | \$107,366    | \$309,433     |            | \$309,433     |
| 143 Inventories   | \$60,836      | \$0                          | \$0           | \$0   | \$3,073                                   | \$0  | \$0                       | \$4,055                        |              | \$67,964      |            | \$67,964      |
| 143.1 Allowance for Obsolete Inventories                          | -\$6,084      | \$0                          | \$0           | \$0   | -\$859                                    | \$0  | \$0                       | -\$405                         |              | -\$7,348      |            | -\$7,348      |
| 144 Inter Program Due From  | \$0           | \$0                          | \$23,631      | \$0   | \$0                                       | \$0  | \$0                       |                                | \$120,993    | \$144,624     | -\$144,624 | \$0           |
| 145 Assets Held for Sale  | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 150 Total Current Assets  | \$3,930,311   | \$22,332                     | \$971,491     | \$1,799   | \$469,917                                 | \$19,161                                     | \$64,322                  | \$1,646,195                    | \$1,380,052  | \$8,505,580   | -\$144,624 | \$8,360,956   |
| 161 Land  | \$1,572,963   | \$0                          | \$46,086      | \$0   | \$349,504                                 | \$0  | \$9,924                   |                                | \$50,000     | \$2,028,477   |            | \$2,028,477   |
| 162 Buildings   | \$31,923,918  | \$1,740,137                  | \$10,000      | \$0   | \$3,734,375                               | \$0  | \$66,815                  | \$1,373,452                    | \$1,303,376  | \$40,152,073  |            | \$40,152,073  |
| 163 Furniture, Equipment & Machinery - Dwellings                  | \$610,447     | \$34,465                     | \$5,579       | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$650,491     |            | \$650,491     |
| 164 Furniture, Equipment & Machinery - Administration             | \$335,314     | \$0                          | \$61,772      | \$0   | \$135,928                                 | \$4,850                                      | \$0                       | \$300,620                      | \$918,400    | \$1,756,884   |            | \$1,756,884   |
| 165 Leasehold Improvements  | \$15,713,812  | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$15,713,812  |            | \$15,713,812  |
| 166 Accumulated Depreciation                                      | -\$37,523,857 | -\$44,554                    | -\$75,851     | \$0   | -\$1,023,833                              | -\$4,850                                     | -\$29,422                 | -\$597,893                     | -\$1,569,875 | -\$40,870,135 |            | -\$40,870,135 |
| 167 Construction in Progress                                      | \$1,011,691   | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$1,011,691   |            | \$1,011,691   |
| 168 Infrastructure  | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 160 Total Capital Assets, Net of Accumulated Depreciation         | \$13,644,288  | \$1,730,048                  | \$47,586      | \$0   | \$3,195,974                               | \$0  | \$47,317                  | \$1,076,179                    | \$701,901    | \$20,443,293  | \$0        | \$20,443,293  |
| 171 Notes, Loans and Mortgages Receivable - Non-Current           | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 173 Grants Receivable - Non Current                               | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 174 Other Assets  | \$0           | \$0                          | \$0           | \$0   | \$89,857                                  | \$0  | \$0                       |                                |              | \$89,857      |            | \$89,857      |
| 176 Investments in Joint Ventures                                 | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           |            | \$0           |
| 180 Total Non-Current Assets                                      | \$13,644,288  | \$1,730,048                  | \$47,586      | \$0   | \$3,285,831                               | \$0  | \$47,317                  | \$1,076,179                    | \$701,901    | \$20,533,150  | \$0        | \$20,533,150  |
| 200 Deferred Outflow of Resources                                 |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       |                                |              | \$0           | \$0        | \$0           |
| 290 Total Assets and Deferred Outflow of Resources                | \$17,574,599  | \$1,752,380                  | \$1,019,077   | \$1,799   | \$3,755,748                               | \$19,161                                     | \$111,639                 | \$2,722,374                    | \$2,081,953  | \$29,038,730  | -\$144,624 | \$28,894,106  |

|   |              |             |             |         |             |           |           |             |             |              |            |              |
|---|--------------|-------------|-------------|---------|-------------|-----------|-----------|-------------|-------------|--------------|------------|--------------|
| 311 Bank Overdraft  | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          | \$0        | \$0          |
| 312 Accounts Payable <= 90 Days   | \$21,371     | \$55        | \$786       | \$0     | \$2         | \$0       | \$1,455   | \$177,870   | \$5,815     | \$207,354    |            | \$207,354    |
| 313 Accounts Payable >90 Days Past Due                                    | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 321 Accrued Wage/Payroll Taxes Payable                                    | \$24,070     | \$0         | \$1,981     | \$1,799 | \$2,993     | \$286     | \$0       | \$22,274    | \$34,102    | \$87,505     |            | \$87,505     |
| 322 Accrued Compensated Absences - Current Portion                        | \$6,166      | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$1,953     | \$6,152     | \$14,271     |            | \$14,271     |
| 324 Accrued Contingency Liability   | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 325 Accrued Interest Payable  | \$764        | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$764        |            | \$764        |
| 331 Accounts Payable - HUD PHA Programs                                   | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 332 Account Payable - PHA Projects  | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 333 Accounts Payable - Other Government                                   | \$76,651     | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$76,651     |            | \$76,651     |
| 341 Tenant Security Deposits  | \$82,399     | \$1,900     | \$0         | \$0     | \$10,820    | \$0       | \$550     | \$0         | \$0         | \$95,669     |            | \$95,669     |
| 342 Unearned Revenue  | \$31,087     | \$966       | \$0         | \$0     | \$4,634     | \$0       | \$84      | \$28,856    | \$0         | \$65,627     |            | \$65,627     |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | \$190,000    | \$10,578    | \$0         | \$0     | \$18,179    | \$0       | \$0       | \$0         | \$0         | \$218,757    |            | \$218,757    |
| 344 Current Portion of Long-term Debt - Operating Borrowings              | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 345 Other Current Liabilities   | \$19,503     | \$0         | \$0         | \$0     | \$92,000    | \$0       | \$0       | \$260,697   | \$0         | \$372,200    |            | \$372,200    |
| 346 Accrued Liabilities - Other   | \$0          | \$0         | \$0         | \$0     | \$30,624    | \$0       | \$0       | \$0         | \$0         | \$30,624     |            | \$30,624     |
| 347 Inter Program - Due To  | \$0          | \$39,388    | \$46,031    | \$0     | \$0         | \$35,428  | \$146     | \$0         | \$23,631    | \$144,624    | -\$144,624 | \$0          |
| 348 Loan Liability - Current  | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 310 Total Current Liabilities   | \$452,011    | \$52,887    | \$48,798    | \$1,799 | \$159,252   | \$35,714  | \$2,235   | \$491,650   | \$69,700    | \$1,314,046  | -\$144,624 | \$1,169,422  |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue    | \$4,966,000  | \$505,780   | \$0         | \$0     | \$1,278,607 | \$0       | \$0       | \$0         | \$0         | \$6,750,387  |            | \$6,750,387  |
| 352 Long-term Debt, Net of Current - Operating Borrowings                 | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 353 Non-current Liabilities - Other                                       | \$19,560     | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$19,560     |            | \$19,560     |
| 354 Accrued Compensated Absences - Non Current                            | \$55,491     | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$17,582    | \$55,365    | \$128,438    |            | \$128,438    |
| 355 Loan Liability - Non Current  | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 356 FASB 5 Liabilities  | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 357 Accrued Pension and OPEB Liabilities                                  | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          |            | \$0          |
| 350 Total Non-Current Liabilities   | \$5,041,051  | \$505,780   | \$0         | \$0     | \$1,278,607 | \$0       | \$0       | \$17,582    | \$55,365    | \$6,898,385  | \$0        | \$6,898,385  |
| 300 Total Liabilities   | \$5,493,062  | \$558,667   | \$48,798    | \$1,799 | \$1,437,859 | \$35,714  | \$2,235   | \$509,232   | \$125,065   | \$8,212,431  | -\$144,624 | \$8,067,807  |
| 400 Deferred Inflow of Resources  | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          | \$0        | \$0          |
| 508.4 Net Investment in Capital Assets                                    | \$8,456,068  | \$1,213,689 | \$47,586    | \$0     | \$1,899,188 | \$0       | \$47,317  | \$1,076,179 | \$701,901   | \$13,441,928 |            | \$13,441,928 |
| 511.4 Restricted Net Position   | \$0          | \$0         | \$0         | \$0     | \$0         | \$0       | \$0       | \$110,304   | \$0         | \$110,304    |            | \$110,304    |
| 512.4 Unrestricted Net Position   | \$3,625,469  | -\$19,976   | \$922,693   | \$0     | \$418,701   | -\$16,553 | \$62,087  | \$1,026,659 | \$1,254,987 | \$7,274,067  |            | \$7,274,067  |
| 513 Total Equity - Net Assets / Position                                  | \$12,081,537 | \$1,193,713 | \$970,279   | \$0     | \$2,317,889 | -\$16,553 | \$109,404 | \$2,213,142 | \$1,956,888 | \$20,826,299 | \$0        | \$20,826,299 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net     | \$17,574,599 | \$1,752,380 | \$1,019,077 | \$1,799 | \$3,755,748 | \$19,161  | \$111,639 | \$2,722,374 | \$2,081,953 | \$29,038,730 | -\$144,624 | \$28,894,106 |

Fort Wayne Housing Authority (IN003)  
**FORT WAYNE, IN**  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

|   | Project Total | 6.2 Component Unit - Blended | 2 State/Local | 14.870 Resident Opportunity and Supportive Services | 6.1 Component Unit - Discretely Presented | 14.169 Housing Counseling Assistance Program | 8 Other Federal Program 1 | 14.871 Housing Choice Vouchers | COCC        | Subtotal     | ELIM         | Total        |
|---|---------------|------------------------------|---------------|---|---|--|---------------------------|--------------------------------|-------------|--------------|--------------|--------------|
| 70300 Net Tenant Rental Revenue                         | \$1,366,562   | \$43,623                     | \$0           | \$0   | \$298,781                                 | \$0  | \$6,600                   | \$0                            | \$0         | \$1,715,566  | \$0          | \$1,715,566  |
| 70400 Tenant Revenue - Other                            | \$162,245     | \$420                        | \$0           | \$0   | \$1,383                                   | \$0  | \$0                       | \$0                            | \$0         | \$164,048    | \$0          | \$164,048    |
| 70500 Total Tenant Revenue                              | \$1,528,807   | \$44,043                     | \$0           | \$0   | \$300,164                                 | \$0  | \$6,600                   | \$0                            | \$0         | \$1,879,614  | \$0          | \$1,879,614  |
| 70600 HUD PHA Operating Grants                          | \$2,494,723   | \$0                          | \$0           | \$131,548   | \$0                                       | \$0  | \$0                       | \$16,633,581                   | \$0         | \$19,259,852 | \$0          | \$19,259,852 |
| 70610 Capital Grants                                    | \$548,612     | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$548,612    | \$0          | \$548,612    |
| 70710 Management Fee                                    |               |                              |               |   |   |  |                           |                                | \$863,814   | \$863,814    | -\$863,814   | \$0          |
| 70720 Asset Management Fee                              |               |                              |               |   |   |  |                           |                                | \$89,720    | \$89,720     | -\$89,720    | \$0          |
| 70730 Book Keeping Fee                                  |               |                              |               |   |   |  |                           |                                | \$66,061    | \$66,061     | -\$66,061    | \$0          |
| 70740 Front Line Service Fee                            |               |                              |               |   |   |  |                           |                                | \$0         | \$0          | \$0          | \$0          |
| 70750 Other Fees  |               |                              |               |   |   |  |                           |                                |             |              |              |              |
| 70700 Total Fee Revenue                                 |               |                              |               |   |   |  |                           |                                | \$1,019,595 | \$1,019,595  | -\$1,019,595 | \$0          |
| 70800 Other Government Grants                           |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 71100 Investment Income - Unrestricted                  | \$834         | \$0                          | \$1,225       | \$0   | \$190                                     | \$0  | \$0                       | \$1,025                        | \$6,670     | \$9,944      | \$0          | \$9,944      |
| 71200 Mortgage Interest Income                          |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 71300 Proceeds from Disposition of Assets Held for Sale |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 71310 Cost of Sale of Assets                            |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 71400 Fraud Recovery                                    |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$36,094                       | \$0         | \$36,094     | \$0          | \$36,094     |
| 71500 Other Revenue                                     | \$15,164      | \$0                          | \$21,510      | \$0   | \$9,224                                   | \$0  | \$0                       | \$77,785                       | \$78,044    | \$201,727    | \$0          | \$201,727    |
| 71600 Gain or Loss on Sale of Capital Assets            |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 72000 Investment Income - Restricted                    | \$0           | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 70000 Total Revenue                                     | \$4,588,140   | \$44,043                     | \$22,735      | \$131,548   | \$309,578                                 | \$0  | \$6,600                   | \$16,748,485                   | \$1,104,309 | \$22,955,438 | -\$1,019,595 | \$21,935,843 |
| 91100 Administrative Salaries                           | \$366,603     | \$0                          | \$1,981       | \$0   | \$28,995                                  | \$0  | \$0                       | \$434,701                      | \$580,898   | \$1,413,178  | \$0          | \$1,413,178  |
| 91200 Auditing Fees                                     | \$5,556       | \$0                          | \$463         | \$0   | \$5,300                                   | \$0  | \$463                     | \$9,263                        | \$3,019     | \$24,064     | \$0          | \$24,064     |
| 91300 Management Fee                                    | \$509,687     | \$3,203                      | \$0           | \$0   | \$18,230                                  | \$0  | \$0                       | \$332,694                      | \$0         | \$863,814    | -\$863,814   | \$0          |
| 91310 Book-keeping Fee                                  | \$65,648      | \$413                        | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$66,061     | -\$66,061    | \$0          |
| 91400 Advertising and Marketing                         | \$975         | \$4,040                      | \$1,175       | \$54  | \$201                                     | \$0  | \$500                     | \$331                          | \$5,372     | \$12,648     | \$0          | \$12,648     |
| 91500 Employee Benefit contributions - Administrative   | \$87,445      | \$0                          | \$0           | \$12,517  | \$2,250                                   | \$0  | \$0                       | \$122,687                      | \$146,228   | \$371,127    | \$0          | \$371,127    |
| 91600 Office Expenses                                   | \$165,527     | \$3,128                      | \$5,800       | \$1,965   | \$9,889                                   | \$217  | \$873                     | \$239,323                      | \$122,335   | \$549,057    | \$0          | \$549,057    |
| 91700 Legal Expense                                     | \$12,192      | \$0                          | \$0           | \$0   | \$1,292                                   | \$0  | \$252                     | \$4,237                        | \$12,582    | \$30,555     | \$0          | \$30,555     |
| 91800 Travel  | \$4,360       | \$0                          | \$8,011       | \$0   | \$0                                       | \$0  | \$84                      | \$1,283                        | \$13,434    | \$27,172     | \$0          | \$27,172     |
| 91810 Allocated Overhead                                |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 91900 Other   | \$0           | \$0                          | \$0           | \$0   | \$3,000                                   | \$0  | \$0                       | \$0                            | \$3,842     | \$6,842      | \$0          | \$6,842      |
| 91000 Total Operating - Administrative                  | \$1,217,993   | \$10,784                     | \$17,430      | \$14,536  | \$69,157                                  | \$217  | \$2,172                   | \$1,144,519                    | \$887,710   | \$3,364,518  | -\$929,875   | \$2,434,643  |
| 92000 Asset Management Fee                              | \$89,160      | \$560                        | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$89,720     | -\$89,720    | \$0          |
| 92100 Tenant Services - Salaries                        | \$3,681       | \$104                        | \$0           | \$55,717  | \$15                                      | \$0  | \$0                       | \$75,597                       | \$0         | \$135,114    | \$0          | \$135,114    |
| 92200 Relocation Costs                                  |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 92300 Employee Benefit Contributions - Tenant Services  |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 92400 Tenant Services - Other                           |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$148       | \$148        | \$0          | \$148        |
| 92500 Total Tenant Services                             | \$3,681       | \$104                        | \$0           | \$55,717  | \$15                                      | \$0  | \$0                       | \$75,597                       | \$148       | \$135,262    | \$0          | \$135,262    |
| 93100 Water   | \$102,766     | \$2,768                      | \$0           | \$0   | \$6,171                                   | \$0  | \$120                     | \$814                          | \$2,231     | \$114,870    | \$0          | \$114,870    |
| 93200 Electricity                                       | \$246,492     | \$3,156                      | \$0           | \$0   | \$8,059                                   | \$0  | \$0                       | \$8,445                        | \$13,676    | \$279,828    | \$0          | \$279,828    |
| 93300 Gas   | \$93,580      | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$923                          | \$3,883     | \$98,386     | \$0          | \$98,386     |
| 93400 Fuel  |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 93500 Labor   |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |
| 93600 Sewer   | \$162,785     | \$2,303                      | \$0           | \$0   | \$8,158                                   | \$0  | \$281                     | \$935                          | \$1,844     | \$176,306    | \$0          | \$176,306    |
| 93700 Employee Benefit Contributions - Utilities        |               | \$0                          | \$0           | \$0   | \$0                                       | \$0  | \$0                       | \$0                            | \$0         | \$0          | \$0          | \$0          |

|   |              |            |          |           |           |        |           |              |             |              |              |              |
|---|--------------|------------|----------|-----------|-----------|--------|-----------|--------------|-------------|--------------|--------------|--------------|
| 93800 Other Utilities Expense                                   |              |            | \$0      | \$0       | \$0       | \$0    | \$0       | \$0          |             | \$0          |              | \$0          |
| 93000 Total Utilities   | \$605,623    | \$8,227    | \$0      | \$0       | \$22,388  | \$0    | \$401     | \$11,117     | \$21,634    | \$669,390    | \$0          | \$669,390    |
| 94100 Ordinary Maintenance and Operations - Labor               | \$398,919    | \$0        | \$0      | \$0       | \$10,027  | \$0    | \$0       |              |             | \$408,946    |              | \$408,946    |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$232,755    | \$1,839    | \$0      | \$0       | \$11,061  | \$0    | \$0       | \$13,997     | \$24,458    | \$284,110    |              | \$284,110    |
| 94300 Ordinary Maintenance and Operations Contracts             | \$428,377    | \$139,579  | \$3,748  | \$0       | \$31,312  | \$0    | \$3,735   | \$21,533     | \$54,640    | \$682,924    | \$0          | \$682,924    |
| 94500 Employee Benefit Contributions - Ordinary Maintenance     | \$110,894    | \$0        | \$0      | \$0       | \$778     | \$0    | \$0       | \$0          | \$0         | \$111,672    |              | \$111,672    |
| 94000 Total Maintenance   | \$1,170,945  | \$141,418  | \$3,748  | \$0       | \$53,178  | \$0    | \$3,735   | \$35,530     | \$79,098    | \$1,487,652  | \$0          | \$1,487,652  |
| 95100 Protective Services - Labor                               |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 95200 Protective Services - Other Contract Costs                |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 95300 Protective Services - Other                               | \$166,910    | \$495      | \$0      | \$0       | \$840     | \$0    | \$0       | \$455        | \$1,275     | \$169,975    |              | \$169,975    |
| 95500 Employee Benefit Contributions - Protective Services      |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 95000 Total Protective Services                                 | \$166,910    | \$495      | \$0      | \$0       | \$840     | \$0    | \$0       | \$455        | \$1,275     | \$169,975    | \$0          | \$169,975    |
| 96110 Property Insurance  | \$84,298     | \$1,717    | \$0      | \$0       | \$17,964  | \$0    | \$624     | \$1,462      | \$3,929     | \$109,994    |              | \$109,994    |
| 96120 Liability Insurance                                       | \$39,933     | \$869      | \$0      | \$0       | \$0       | \$0    | \$0       | \$20,643     |             | \$61,445     |              | \$61,445     |
| 96130 Workmen's Compensation                                    | \$15,488     | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       | \$9,200      | \$5,162     | \$29,850     |              | \$29,850     |
| 96140 All Other Insurance                                       | \$7,140      | \$0        | \$0      | \$0       | \$0       | \$286  | \$0       | \$8,994      | \$12,867    | \$29,287     |              | \$29,287     |
| 96100 Total Insurance Premiums                                  | \$146,859    | \$2,586    | \$0      | \$0       | \$17,964  | \$286  | \$624     | \$40,299     | \$21,958    | \$230,576    | \$0          | \$230,576    |
| 96200 Other General Expenses                                    |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$19,066  | \$11,061     |             | \$30,127     |              | \$30,127     |
| 96210 Compensated Absences                                      | \$46,043     | \$0        | \$0      | \$0       | \$3,681   | \$0    | \$0       | \$37,819     | \$48,291    | \$135,834    |              | \$135,834    |
| 96300 Payments in Lieu of Taxes                                 | \$76,671     | \$0        | \$0      | \$0       | \$28,846  | \$0    | \$4,198   |              |             | \$109,715    |              | \$109,715    |
| 96400 Bad debt - Tenant Rents                                   | \$93,600     | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$93,600     |              | \$93,600     |
| 96500 Bad debt - Mortgages                                      |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 96600 Bad debt - Other  |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 96800 Severance Expense   |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 96000 Total Other General Expenses                              | \$216,314    | \$0        | \$0      | \$0       | \$32,527  | \$0    | \$23,264  | \$48,880     | \$48,291    | \$369,276    | \$0          | \$369,276    |
| 96710 Interest of Mortgage (or Bonds) Payable                   | \$59,103     | \$5,282    | \$0      | \$0       | \$96,239  | \$0    | \$0       |              |             | \$160,624    |              | \$160,624    |
| 96720 Interest on Notes Payable (Short and Long Term)           | \$56,949     | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$56,949     |              | \$56,949     |
| 96730 Amortization of Bond Issue Costs                          |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 96700 Total Interest Expense and Amortization Cost              | \$116,052    | \$5,282    | \$0      | \$0       | \$96,239  | \$0    | \$0       | \$0          | \$0         | \$217,573    | \$0          | \$217,573    |
| 96900 Total Operating Expenses                                  | \$3,733,537  | \$169,456  | \$21,178 | \$70,253  | \$292,308 | \$503  | \$30,196  | \$1,356,397  | \$1,060,114 | \$6,733,942  | -\$1,019,595 | \$5,714,347  |
| 97000 Excess of Operating Revenue over Operating Expenses       | \$854,603    | -\$125,413 | \$1,557  | \$61,295  | \$17,270  | -\$503 | -\$23,596 | \$15,392,088 | \$44,195    | \$16,221,496 | \$0          | \$16,221,496 |
| 97100 Extraordinary Maintenance                                 |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 97200 Casualty Losses - Non-capitalized                         |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 97300 Housing Assistance Payments                               |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       | \$15,649,078 |             | \$15,649,078 |              | \$15,649,078 |
| 97350 HAP Portability-In  |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       | \$134,847    |             | \$134,847    |              | \$134,847    |
| 97400 Depreciation Expense                                      | \$1,185,912  | \$44,554   | \$250    | \$0       | \$104,460 | \$0    | \$1,839   | \$63,241     | \$76,675    | \$1,476,931  |              | \$1,476,931  |
| 97500 Fraud Losses  |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 97600 Capital Outlays - Governmental Funds                      |              |            |          |           |           |        |           |              |             |              |              |              |
| 97700 Debt Principal Payment - Governmental Funds               |              |            |          |           |           |        |           |              |             |              |              |              |
| 97800 Dwelling Units Rent Expense                               |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 90000 Total Expenses  | \$4,919,449  | \$214,010  | \$21,428 | \$70,253  | \$396,768 | \$503  | \$32,035  | \$17,203,563 | \$1,136,789 | \$23,994,798 | -\$1,019,595 | \$22,975,203 |
| 10010 Operating Transfer In                                     | \$1,040,181  | \$312,533  | \$0      | \$0       | \$0       | \$0    | \$0       | \$38,927     |             | \$1,391,641  |              | \$1,391,641  |
| 10020 Operating transfer Out                                    | -\$1,040,181 | \$0        | \$0      | -\$38,927 | \$0       | \$0    | \$0       |              | -\$312,533  | -\$1,391,641 |              | -\$1,391,641 |
| 10030 Operating Transfers from/to Primary Government            |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 10040 Operating Transfers from/to Component Unit                | -\$4,622     | \$4,622    | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 10050 Proceeds from Notes, Loans and Bonds                      |              |            |          |           |           |        |           |              |             |              |              |              |
| 10060 Proceeds from Property Sales                              |              |            |          |           |           |        |           |              |             |              |              |              |
| 10070 Extraordinary Items, Net Gain/Loss                        |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 10080 Special Items (Net Gain/Loss)                             |              | \$0        | \$0      | \$0       | \$0       | \$0    | \$0       |              |             | \$0          |              | \$0          |
| 10091 Inter Project Excess Cash Transfer In                     |              |            |          |           |           |        |           |              |             |              |              |              |
| 10092 Inter Project Excess Cash Transfer Out                    |              |            |          |           |           |        |           |              |             |              |              |              |

|   |              |             |           |           |             |           |           |             |             |              |     |              |
|---|--------------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-------------|--------------|-----|--------------|
| 10093 Transfers between Program and Project - In                          | \$22,368     | \$0         | \$0       | \$0       | \$0         | \$0       | \$0       | \$0         | \$0         | \$22,368     | \$0 | \$22,368     |
| 10094 Transfers between Project and Program - Out                         | \$0          | \$0         | \$0       | -\$22,368 | \$0         | \$0       | \$0       | \$0         | \$0         | -\$22,368    | \$0 | -\$22,368    |
| 10100 Total Other financing Sources (Uses)                                | \$17,746     | \$317,155   | \$0       | -\$61,295 | \$0         | \$0       | \$0       | \$38,927    | -\$312,533  | \$0          | \$0 | \$0          |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses    | -\$313,563   | \$147,188   | \$1,307   | \$0       | -\$87,190   | -\$503    | -\$25,435 | -\$416,151  | -\$345,013  | -\$1,039,360 | \$0 | -\$1,039,360 |
| 11020 Required Annual Debt Principal Payments                             | \$180,000    | \$3,232     | \$0       | \$0       | \$279,459   | \$0       | \$0       | \$0         | \$0         | \$462,691    | \$0 | \$462,691    |
| 11030 Beginning Equity  | \$12,395,100 | \$1,046,525 | \$968,972 | \$0       | \$2,405,079 | -\$16,050 | \$134,839 | \$2,629,293 | \$2,301,901 | \$21,865,659 | \$0 | \$21,865,659 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0          | \$0         | \$0       | \$0       | \$0         | \$0       | \$0       | \$0         | \$0         | \$0          | \$0 | \$0          |
| 11050 Changes in Compensated Absence Balance                              |              |             |           |           |             |           |           |             |             |              |     |              |
| 11060 Changes in Contingent Liability Balance                             |              |             |           |           |             |           |           |             |             |              |     |              |
| 11070 Changes in Unrecognized Pension Transition Liability                |              |             |           |           |             |           |           |             |             |              |     |              |
| 11080 Changes in Special Term/Severance Benefits Liability                |              |             |           |           |             |           |           |             |             |              |     |              |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents         |              |             |           |           |             |           |           |             |             |              |     |              |
| 11100 Changes in Allowance for Doubtful Accounts - Other                  |              |             |           |           |             |           |           |             |             |              |     |              |
| 11170 Administrative Fee Equity   |              |             |           |           |             |           |           | \$2,102,838 |             | \$2,102,838  |     | \$2,102,838  |
| 11180 Housing Assistance Payments Equity                                  |              |             |           |           |             |           |           | \$110,304   |             | \$110,304    |     | \$110,304    |
| 11190 Unit Months Available   | 8972         | 128         |           |           | 624         |           | 12        | 37188       |             | 46924        |     | 46924        |
| 11210 Number of Unit Months Leased  | 8808         | 125         |           |           | 606         |           | 12        | 33184       |             | 42735        |     | 42735        |
| 11270 Excess Cash   | \$2,966,763  |             |           |           |             |           |           |             |             | \$2,966,763  |     | \$2,966,763  |
| 11610 Land Purchases  | \$0          |             |           |           |             |           |           |             | \$0         | \$0          |     | \$0          |
| 11620 Building Purchases  | \$574,590    |             |           |           |             |           |           |             | \$0         | \$574,590    |     | \$574,590    |
| 11630 Furniture & Equipment - Dwelling Purchases                          | \$0          |             |           |           |             |           |           |             | \$0         | \$0          |     | \$0          |
| 11640 Furniture & Equipment - Administrative Purchases                    | \$0          |             |           |           |             |           |           |             | \$0         | \$0          |     | \$0          |
| 11650 Leasehold Improvements Purchases                                    | \$0          |             |           |           |             |           |           |             | \$0         | \$0          |     | \$0          |
| 11660 Infrastructure Purchases  | \$0          |             |           |           |             |           |           |             | \$0         | \$0          |     | \$0          |
| 13510 CFFP Debt Service Payments  | \$180,000    |             |           |           |             |           |           |             | \$0         | \$180,000    |     | \$180,000    |
| 13901 Replacement Housing Factor Funds                                    | \$0          |             |           |           |             |           |           |             | \$0         | \$0          |     | \$0          |

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
STATEMENT OF CAPITAL FUNDS COST - UNCOMPLETED  
FOR THE YEAR ENDED JUNE 30, 2015**

**EXHIBIT F**

|   |
|---|
| <p><b>ANNUAL CONTRIBUTION CONTRACT PHASES</b><br/>IN36P003501 - 10, 11, 12, 13, 14, IN36R003502 - 07, 08 and IN36E003501 - 14</p> |
|---|

|                                 | 502-07     | 502-08     | 501-10       | 501-11     | 501-12      | 501-13     | 501-14     | 501-14s    | Total        |
|---------------------------------|------------|------------|--------------|------------|-------------|------------|------------|------------|--------------|
| Funds Approved                  | \$ 118,426 | \$ 128,121 | \$ 1,103,654 | \$ 967,884 | \$ 876,116  | \$ 881,486 | \$ 906,829 | \$ 248,718 | \$ 3,881,033 |
| Funds Expended                  | 118,426    | 128,121    | 1,103,654    | 865,484    | 809,565     | 697,124    | 136,696    | 201,961    | 2,710,830    |
| Excess\ (Deficit) of Funds Appr | \$ -       | \$ -       | \$ -         | \$ 102,400 | \$ 66,551   | \$ 184,362 | \$ 770,133 | \$ 46,757  | \$ 1,170,203 |
| Funds Advanced                  | \$ 118,426 | \$ 128,121 | \$ 1,103,654 | \$ 865,484 | \$ 758,552  | \$ 699,015 | \$ 136,696 | \$ 201,961 | \$ 2,661,708 |
| Funds Expended                  | 118,426    | 128,121    | 1,103,654    | 865,484    | 809,564     | 697,124    | 136,696    | 201,961    | 2,710,829    |
| Excess\ (Deficit) of Funds Adv  | \$ -       | \$ -       | \$ -         | \$ -       | \$ (51,012) | \$ 1,891   | \$ -       | \$ -       | \$ (49,121)  |

1 Capital Fund Program costs for Phases IN36P003 - 501-11, 12, 13, 14 and IN36E003 - 501-14 are shown above.

2 Cost additions during the audit period were as follows: IN36P003- 501-11, \$35,126, 501-12, \$132,149, 501-13, \$538,525, 501-14, \$136,696, IN36E003-501-14, \$201,691, and, accordingly, were audited by Velma Butler & Company, Ltd.

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
 STATEMENT OF CAPITAL FUNDS COST - COMPLETED  
 FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT G

|   |
|---|
| ANNUAL CONTRIBUTION CONTRACT PHASES<br>IN36R003502 - 09, 10, 11 |
|---|

|                                     | 502-09      | 502-10      | 502-11      | Total       |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Funds Approved                      | \$ 110,607  | \$ 110,406  | \$ 69,038   | \$ 290,051  |
| Funds Expended                      | 110,607     | 110,406     | 69,038      | 290,051     |
| Excess\ (Deficit) of Funds Approved | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| Funds Advanced                      | \$ 110,607  | \$ 110,406  | \$ 69,038   | \$ 290,051  |
| Funds Expended                      | 110,607     | 110,406     | 69,038      | 290,051     |
| Excess\ (Deficit) of Funds Advanced | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |

- 1 That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Comprehensive Grant, is as shown above;
- 2 That all modernization work in connection with the Comprehensive Grant has been completed;
- 3 That the entire Actual Modernization Cost or liabilities therefore incurred by the PHA have been fully paid;
- 4 That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
- 5 That the time in which such could be filed has expired.

**SINGLE AUDIT REPORTS**

**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 Fort Wayne  
Fort Wayne, IN 46816

U.S. Department of Housing and Urban  
Development, Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

We have audited the financial statements of the business-type activities of the Housing Authority of the City of Fort Wayne (Authority) as of and for the year ended June 30, 2015, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated January 27, 2016. 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.

### **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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

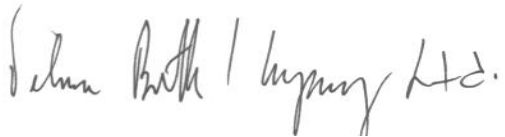
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

## 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.

A handwritten signature in cursive script that reads "Velma Butler / Company Ltd.".

Velma Butler & Company, Ltd.  
Chicago, Illinois

January 27, 2016

**Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

**Independent Auditor's Report**

Board of Commissioners  
Housing Authority of the City of Fort Wayne  
Fort Wayne, IN 46816

U.S. Department of Housing and Urban  
Development, Indianapolis Office  
Minton-Capehart Federal Building  
575 North Pennsylvania, Room 655  
Indianapolis, Indiana 46204

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

We have audited the Housing Authority of the City of Fort Wayne (Authority) 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 each of 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 auditor's 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 Federal Program*

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

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

Management of the Authority is responsible for establishing and maintaining effective internal controls 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 federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

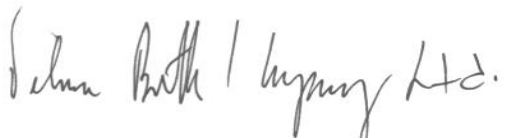
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Authority as of and for the year ended June 30, 2015, and have issued our report thereon dated January 27, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Velma Butler / Company Ltd." The signature is written in dark ink and is positioned above the printed name of the company.

Velma Butler & Company, Ltd.  
Chicago, Illinois

January 27, 2016

**SCHEDULE OF FINDINGS AND QUESTIONED COST**

THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
SUMMARY OF AUDITOR'S RESULTS  
FOR THE YEAR ENDED JUNE 30, 2015

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**Section I - Summary of Auditor's Results**

*Financial Statements*

The type of report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified? Yes   X  No

Deficiencies identified not considered to be material weaknesses?  
Yes   X  None reported

Noncompliance material to financial statements noted?  
Yes   X  None reported

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified? Yes   X  No

Deficiencies identified not considered to be material weaknesses?  
Yes   X  None reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

Yes   X  No

Identification of major program:

**U.S. Department of Housing and Urban Development**

| <u>CFDA Number</u>                                 | <u>Name of Federal Program</u> |
|--|--------------------------------|
| Low Rent Rental Assistance Programs                |                                |
| 14.850   | Low Rent Housing               |
| 14.872   | Capital Fund Programs          |
| Housing Choice Voucher Housing Assistance Programs |                                |
| 14.871   | Housing Choice Voucher Program |

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

Auditee qualified as low-risk auditee?   X  Yes     No

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CURRENT YEAR  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Section II - Financial Statement Findings**

There were no reportable findings for the fiscal year ended June 30, 2015.

**Section III - Federal Award Findings and Questioned Costs**

There were no reportable findings for the fiscal year ended June 30, 2015.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - PRIOR YEAR  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Section IV - Financial Statement Findings**

There were no reportable findings for the fiscal year ended June 30, 2014.

**Section V - Federal Award Findings and Questioned Costs**

There were no reportable findings for the fiscal year ended June 30, 2014.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
STATEMENT OF COMPLIANCE WITH  
SECTION 8 MANAGEMENT ASSESSMENT PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2015**

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Velma Butler & Company, Ltd. audited the Authority's compliance with the Section 8 Housing Management Assessment Program and did not observe any material instances of noncompliance.

**THE HOUSING AUTHORITY OF THE CITY OF FORT WAYNE, INDIANA  
STATEMENT OF COMPLIANCE WITH  
PUBLIC HOUSING ASSESSMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2015**

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Velma Butler & Company, Ltd. audited the Authority's compliance with the Public Housing Assessment System Program and did not note any material instances of noncompliance.