



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B55122

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

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

April 29, 2020

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

We have reviewed the audit report of the Housing Authority of Marion, which was opined upon by Aprio, LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditors' Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of Marion, as of June 30, 2019 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

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED JUNE 30, 2019

THE HOUSING AUTHORITY OF THE CITY OF MARION

MARION, INDIANA

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 6
Management's Discussion and Analysis (MD&A)	7 – 15
FINANCIAL STATEMENTS:	
Statement of Net Position	16 – 17
Statement of Revenues, Expenses and Changes in Net Position	18
Statement of Cash Flows	19
Notes to Financial Statements	20 – 31
SUPPLEMENTARY DATA:	
Statement and Certification of Program Costs – Capital Fund Program	32
Schedule of Expenditures of Federal Awards	33
Financial Data Schedule	34 - 37
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	38 - 39

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of the City of Marion
Marion, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Marion as of and for the year ended June 30, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

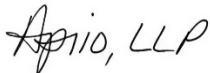
Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for further analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
March 23, 2020

**INDEPENDENT AUDITORS' 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
The Housing Authority of the City of Marion
Marion, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 23, 2020.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Aprio, LLP

Birmingham, Alabama
March 23, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
The Housing Authority of the City of Marion
Marion, Indiana

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended June 30, 2019. The Authority's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance)*. Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 the major federal programs. However, our audit does not provide a legal determination of Authority's compliance.

Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the *Uniform Guidance*.

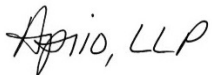
Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies* and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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



Birmingham, Alabama
March 23, 2020

**THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2019**

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

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

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased \$226,244 in 2019. Net Position was \$6,863,743 and \$6,637,499 for 2018 and 2019 respectively.

- Revenues increased \$577,670 during 2019 and were \$5,202,212 and \$5,779,882 for 2018 and 2019 respectively.

- Total expenses increased \$504,603 during 2019 and were \$5,501,523 and \$6,006,126 for 2018 and 2019 respectively.

USING THIS ANNUAL REPORT

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

MD&A

~ Management’s Discussion
and Analysis ~

Basic Financial Statements

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

Other Required Supplementary Information

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

Authority-Wide Financial Statements

Statement of Net Position

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

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

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

Statement of Cash Flows

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

The Authority's Programs

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

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

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

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

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

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

Business Activities - The Authority's business activities own and manage two affordable housing apartment buildings. Beckford Place Apartments has 49 units and Parkville Apartments has 49 units.

Other smaller programs are:

- State and Local
- Resident Opportunity Supportive Services
- Resident Opportunity Supportive Services – Service Coordinators
- Blended Component Units

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

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

**TABLE 1
STATEMENT OF NET POSITION**

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Assets:			
Current & Restricted Assets	\$ 2,071,473	\$ 1,933,366	\$ 138,107
Capital Assets	<u>8,525,423</u>	<u>8,138,229</u>	<u>387,194</u>
Total Assets	<u>\$ 10,596,896</u>	<u>\$ 10,071,595</u>	<u>\$ 525,301</u>
Liabilities:			
Current Liabilities	\$ 1,962,481	\$ 470,479	\$ 1,492,002
Non Current Liabilities	<u>1,996,916</u>	<u>2,737,373</u>	<u>(740,457)</u>
Total Liabilities	<u>\$ 3,959,397</u>	<u>\$ 3,207,852</u>	<u>\$ 751,545</u>
Net Position:			
Net Investment in Capital Assets	\$ 5,126,223	\$ 5,497,765	\$ (371,542)
Restricted Net Position	102,800	47,391	55,409
Unrestricted Net Position	<u>1,408,476</u>	<u>1,318,587</u>	<u>89,889</u>
Total Net Position	<u>\$ 6,637,499</u>	<u>\$ 6,863,743</u>	<u>\$ (226,244)</u>

Major Factors Affecting the Statement of Net Position

During 2019, current and restricted assets increased by \$138,107. The increase was primarily due to increases in receivables and investments offset by a decrease in cash and cash equivalents. Capital assets increased due to capital asset additions exceeding depreciation expense. Liabilities increased primarily due to draws of \$894,226 made on existing lines of credit offset by payments made on debt.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Position, June 30, 2018	\$ 1,318,587
Results of Operations	(164,843)
Capital Expenditures from Operations	(1,061,221)
Investment Income	25,736
Proceeds from sale of Capital Assets	48,773
Transfer from (to) Restricted Net Position	(55,409)
Proceeds from issuance of Capital Debt	894,226
Principal and Interest on Capital Debt	(301,694)
Depreciation Expense	<u>704,321</u>
Unrestricted Net Position, June 30, 2019	<u>\$ 1,408,476</u>

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

TABLE 3**STATEMENT OF REVENUES AND EXPENSES**

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

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 1,609,325	\$ 1,626,477	\$ (17,152)
Operating Grants	3,587,808	3,233,377	354,431
Capital Grants	158,274	101,612	56,662
Investment Income	25,736	13,330	12,406
Other Revenue	398,739	227,416	171,323
	<u>\$ 5,779,882</u>	<u>\$ 5,202,212</u>	<u>\$ 577,670</u>
Expenses:			
Administrative Expenses	\$ 1,199,582	\$ 1,192,559	\$ 7,023
Tenant Services	10,092	9,905	187
Utilities	523,334	437,007	86,327
Maintenance & Operations	1,108,717	854,548	254,169
Protective Services	19,261	21,422	(2,161)
General Expense	526,345	433,727	92,618
Housing Assistance Payments	1,748,270	1,778,615	(30,345)
Interest Expense	166,204	116,824	49,380
Depreciation	704,321	656,916	47,405
	<u>\$ 6,006,126</u>	<u>\$ 5,501,523</u>	<u>\$ 504,603</u>
Excess (Deficiency) Revenues Over Expenses	<u><u>\$ (226,244)</u></u>	<u><u>\$ (299,311)</u></u>	<u><u>\$ 73,067</u></u>

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES

The excess of expenses over revenues decreased slightly due to an increase in revenues exceeding an increase in expenses.

Revenues increased mainly due to increases in operating grants and other revenue. Operating grants increased due to an increase in amounts drawn from capital funds for operating purposes, as well as an increase in amounts received for HAP assistance. Other revenue increased due to rent revenue received by the COCC for the Centrum Mall and Maidenberg Hotel properties.

Expenses increased primarily due to increases in utilities, maintenance and general expenses. Utility expenses increased due to an increase in water and electricity usage and utility rates. Maintenance expenses increased due to an increase in materials and contract costs. General expenses increased due to an increase in bad debt and property tax expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$8,525,423 invested in a variety of capital assets as reflected in the following schedule, which represents a 5% increase from last year.

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

	2019	2018	Variance	% Change
Land	\$ 437,707	\$ 436,907	\$ 800	0%
Buildings and Improvements	24,811,964	23,534,581	1,277,383	5%
Furniture and Equipment	980,321	939,168	41,153	4%
Construction in Progress	441,996	727,189	(285,193)	-39%
Accumulated Depreciation	<u>(18,146,565)</u>	<u>(17,499,616)</u>	<u>(646,949)</u>	<u>4%</u>
Net Capital Assets	<u><u>\$ 8,525,423</u></u>	<u><u>\$ 8,138,229</u></u>	<u><u>\$ 387,194</u></u>	<u><u>5%</u></u>

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, July 1, 2018	\$ 8,138,229
Additions	
Improvements - Capital Fund	158,274
Improvements - Operating	1,061,221
Deletions (Net)	(127,980)
Depreciation Expense	<u>(704,321)</u>
Ending Balance, June 30, 2019	<u><u>\$ 8,525,423</u></u>

DEBT ADMINISTRATION

As of year-end, the Authority had \$3,399,200 in long term debt outstanding, compared to a \$2,640,464 balance in 2018. The increase is due to the issuance of new debt in the current year of \$894,226 offset by payments made on existing long-term debt.

TABLE 6

OUTSTANDING LONG-TERM DEBT, AT YEAR-END

	<u>2019</u>	<u>2018</u>
Capital Improvements	<u>3,399,200</u>	<u>2,640,464</u>
Total	<u>\$ 3,399,200</u>	<u>\$ 2,640,464</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

This financial report is designed to provide our residents, the citizens of Marion, Indiana, federal and state regulatory bodies with a general overview of the Marion Housing Authority's finances as of June 30, 2019. The individual to be contacted regarding this report is:

Leah Poland, Chief Financial Officer
Housing Authority of the City of Marion
601 S. Adams Street
Marion, Indiana 46953

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 775,792
Accounts Receivable - HUD	140,724
Tenants Accounts Receivable	59,833
Allowance for Doubtful Accounts	(29,046)
Investments	907,698
Prepaid Costs	45,204
Inventory	9,914
Total Current Assets	<u>1,910,119</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	125,420
Investments	35,934
Total Restricted Assets	<u>161,354</u>
<u>Capital Assets</u>	
Land	437,707
Buildings and Improvements	24,811,964
Furniture and Equipment	980,321
Construction in Progress	441,996
	<u>26,671,988</u>
(Less): Accumulated Depreciation	(18,146,565)
Net Capital Assets	<u>8,525,423</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 10,596,896</u></u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
STATEMENT OF NET POSITION
JUNE 30, 2019

**LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION**

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 170,067
Accrued Wages and Payroll Taxes	18,870
Accrued Interest Payable	6,334
A/P - Other Government	98,013
Tenant Security Deposits	116,180
Unearned Revenues	384
Current Portion of Notes Payable	1,552,633
Total Current Liabilities	<u>1,962,481</u>
<u>Long Term Liabilities</u>	
Notes Payable - Long-Term	1,846,567
FSS Escrows	48,095
Accrued Compensated Absences	102,254
Total Long Term Liabilities	<u>1,996,916</u>
Total Liabilities	<u>3,959,397</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net Investment in Capital Assets	5,126,223
Restricted Net Position	102,800
Unrestricted Net Position	1,408,476
Total Net Position	<u>6,637,499</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u>\$ 10,596,896</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,609,325
Operating Grants	3,587,808
Other Revenue	477,946
Total Operating Revenues	<u>5,675,079</u>
<u>Operating Expenses</u>	
Administrative	1,199,582
Tenant Services	10,092
Utilities	523,334
Maintenance and Operations	1,108,717
Protective Services	19,261
General Expense	526,345
Housing Assistance Payments	1,748,270
Depreciation	704,321
Total Operating Expenses	<u>5,839,922</u>
Operating Income (Loss)	<u>(164,843)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	25,736
Interest Expense	(166,204)
Gain/(Loss) on Disposal of Asset	(79,207)
Total Non-Operating Revenues (Expenses)	<u>(219,675)</u>
Increase (Decrease) in Net Position before Capital Contributions	<u>(384,518)</u>
Capital Contributions	<u>158,274</u>
Increase (Decrease) in Net Position	(226,244)
Net Position, Beginning	6,863,743
Net Position, Ending	<u>\$ 6,637,499</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,329,103
Cash Received from Operating Grants	3,587,596
Cash Received from Other Sources	421,252
Cash Payments for Salaries & Benefits	(1,221,507)
Cash Payments to Vendors & Landlords	(3,734,335)
Net Cash flows provided (used) by Operating activities	<u>382,109</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	158,274
Capital Outlay	(1,219,495)
Proceeds Received from Capital Debt	894,226
Proceeds from Sale of Capital Assets	48,773
Principal and Interest Payments on Capital Debt	(301,913)
Net cash flows provided (used) by capital and related financing activities	<u>(420,135)</u>
<u>Cash flows from investing activities:</u>	
Cash Transfer from (to) Investments	(191,574)
Cash received from earnings on investments	25,736
Net cash flows provided (used) by investing activities	<u>(165,838)</u>
Net Increase (decrease) in cash and cash equivalents	(203,864)
<u>Cash and cash equivalents, beginning of year:</u>	<u>1,105,076</u>
<u>Cash and cash equivalents, end of year:</u>	<u>\$ 901,212</u>
<u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u>	
Operating Income (Loss)	\$ (164,843)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	704,321
Bad Debt Expense	132,669
Change in Accounts Receivable	(280,434)
Change in Prepaid Costs	(3,028)
Change in Inventory	396
Change in Accounts Payable	76,820
Change in Accrued Expenses	(27,098)
Change in Tenant Security Deposits	(2,953)
Change in FSS Escrow	(9,698)
Change in Unearned Revenues	(44,043)
Net cash provided by (used in) operating activities	<u>\$ 382,109</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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

FURTHER SIGNIFICANT ACCOUNTING POLICIES ARE:

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivables are carried at the amount considered by management to be collectible. Tenant accounts receivable are immaterial for further disclosures. Other accounts receivable consists of amounts due from HUD for Grant Income, Housing Assistance Payments and other miscellaneous operating receivables.

Prepaid Costs

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Inventories

Inventories consist of supplies that have not been used or consumed. Inventory is valued at lower of cost or net realizable value and recorded as an expense when it is consumed on the first in first out basis.

Unearned Revenue

The Authority recognizes revenues as earned. The amount received in advance of the period in which it is earned is recorded as a liability under Unearned Revenue.

Revenue Accounting Policies

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

Capital Assets

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

Buildings and Improvements	15 - 40 years
Furniture and Equipment	5 - 10 years

Authority management has assessed the carrying values of capital asset balances as of June 30, 2019, and as of March 23, 2020. No significant capital asset value impairments exist as of the noted dates.

Indirect Cost Recovery

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

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

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

Based upon the application of the above criteria, Riverside Apartments and Building for Change, LLC are blended component units of the Authority. The operations of these entities are reported in these financial statements using the blended presentation. The component units are reported as if they were part of the primary government because their sole purpose is to work in conjunction with the Authority to provide housing for low- and moderate-income individuals.

NOTE C - CASH AND CASH EQUIVALENTS

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

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

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

The Housing Authority’s cash and cash equivalents consist of cash held in checking accounts totaling \$901,012. Investments consist of certificates of deposit totaling \$943,632. The certificates of deposit bear varying interest rates and have various maturity periods, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The remaining \$200 is held in the form of petty cash or change fund.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C - CASH AND CASH EQUIVALENTS - CONTINUED

Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 969,732	\$ 969,732
Collateralized with specific securities in the Authority name which are held by the financial institution	871,600	1,071,665
Uncollateralized	<u>3,312</u>	<u>3,312</u>
	<u>\$ 1,844,644</u>	<u>\$ 2,044,709</u>

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

NOTE D - CONTRACTUAL COMMITMENTS

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

<u>Type Commitment</u>	<u>Amount</u>
Improvements	\$141,069

NOTE E – USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

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, liabilities and deferred outflows and inflows, revenues and expenses in the financial statements. Accordingly, actual results could differ from those estimates.

NOTE F – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman’s compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage, or any claims not reimbursed.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – COMMITMENTS AND CONTINGENCIES

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

NOTE H – CONCENTRATION OF RISK

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

NOTE I - PENSION PLAN

The Authority participates in a defined contribution pension plan which is administered by the American United Life – One America Retirement Plan, a third party, and was adopted by the Board of Commissioners in 1979. All full-time employees are eligible for participation in the plan after six months of continuous service. The plan provisions and changes to the plan contributions are determined by the Board of the Housing Authority.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 7% of each employee's base salary to the plan, while employees contribute 5% of their base salary to the plan. Total employer contributions to the plan for the year were \$58,023, while employees contributed \$40,354.

NOTE J – COMPENSATED ABSENCES

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – INTERPROGRAM ACTIVITY

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

Central Office Cost Center	\$	307,104
Section 8 Housing Choice Vouchers		(265,003)
Section 8 New Construction		(33,422)
State/Local		(8,679)
	\$	<u><u>-</u></u>

NOTE L – HUD REPAYMENT AGREEMENT

In 2011, the Authority came to an agreement with HUD that the Authority's COCC would repay the Public Housing Program and Housing Choice Vouchers \$177,790 for "improper use of federal funds". HUD asserted that federal funds had been improperly loaned from the Public Housing Program and Housing Choice Vouchers Program to the Authority's COCC (non-federal funds). The COCC may borrow non-federal funds from the Authority but not federal funds. The Authority agreed to repay the Low Rent Public Housing program and the Section 8 Housing Choice Vouchers program \$10,035 annually for a period of 17 years from non-federal funds. At June 30, 2019, the balance on the agreement was \$87,475, all of which was owed to the Public Housing Program. The loan has been eliminated on the financial statements.

NOTE M – PILOT AGREEMENT/PROPERTY TAXES

The Authority has entered into a Payment in Lieu of Taxes Agreement with the City of Marion, Indiana, whereby the Authority agrees to pay a negotiated sum in lieu of City real property taxes. As of June 30, 2019, \$38,517 remains outstanding. The Authority also has outstanding property taxes due on Beckford Place Apartments, Parkville Apartments, Centrum Mall and Maidenburg in the amount of \$59,496.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – NOTES PAYABLE

Long-term debt at June 30, 2019, consisted of the following:

<u>Creditor and Description</u>	<u>Balance</u>
Mortgage payable to local financial institution, bearing 5.24% interest, maturing December 2042 monthly principal and interest payments of \$6,031, collateralized by certain real property located in Marion, Indiana	\$ 965,329
Note payable to local financial institution, bearing 4.75% interest, maturing April 2042, annual principal and interest payments of \$66,897, collateralized by certain real property located in Marion, Indiana	925,174
Note payable to local financial institution, bearing 3.10% interest, maturing June 2027, annual principal and interest payments of \$9,938, collateralized by certain real property located in Marion, Indiana. This note was paid in full on September 20, 2018 with the proceeds from the sale of the property.	-
Construction Loan payable to local financial institution, interest only payments due monthly at a rate of 3.75%, maturing on August 18, 2019, the loan will be converted to a mortgage at the end of construction, collateralized by certain real property located in Marion, Indiana. The loan was paid in full in August 2019.	160,000
Line of Credit payable to local financial institution, interest only payments due monthly at a rate of 4.5075% with a maximum credit limit of \$1,762,500 and maturing on December 22, 2019, the loan was renewed for one year on January 9, 2020 and will be converted to a mortgage at the end of construction, collateralized by certain real property located in Marion, Indiana	1,337,788
Note payable to local financial institution, bearing 8.23% interest, maturing October 1, 2019, annual principal and interest payments of \$36,508, collateralized by certain real property located in Marion, Indiana. The loan was paid in full in September 2019	10,909
	<hr/>
	3,399,200
Less: Current Portion	<u>(1,552,633)</u>
Notes Payable, Non-Current	<u>\$ 1,846,567</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – NOTES PAYABLE - CONTINUED

The notes are payable as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2020	1,552,633	158,593	1,846,567
2021	46,472	92,802	1,800,095
2022	48,694	90,942	1,751,401
2023	50,338	91,101	1,701,063
2024	52,803	88,635	1,648,260
2025 - 2029	310,975	396,222	1,337,285
2030 - 2034	404,216	302,981	933,069
2035 - 2039	525,423	181,774	407,646
2040 - 2042	407,646	35,773	-
Total Payments	<u>\$ 3,399,200</u>	<u>\$ 1,438,822</u>	

Interest expense for the year ended June 30, 2019 was \$166,204.

NOTE O – NON-CURRENT LIABILITIES

Non-current liabilities consist of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Payable	2,640,464	894,226	135,490	3,399,200	1,552,633
Accrued Compensated Absences	120,856	76,736	95,338	102,254	-
FSS Escrows	57,796	-	9,701	48,095	-
Total Debt	<u>\$ 2,819,116</u>	<u>\$ 970,962</u>	<u>\$ 240,529</u>	<u>\$ 3,549,549</u>	<u>\$ 1,552,633</u>

NOTE P – RESTRICTED ASSETS AND NET POSITION

The Authority's restricted assets consist of the following as of June 30, 2019:

FSS Escrows	\$ 48,095
Section 8 HAP Funds	66,866
Replacement Reserves	35,934
Local Grant Funding	10,459
	<u>\$ 161,354</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – RESTRICTED ASSETS AND NET POSITION - CONTINUED

Restricted Net Position consist of restricted assets that do not have a related liability. The following restricted assets are included in Restricted Net Position at June 30, 2019:

Section 8 HAP Funds	\$ 66,866
Replacement Reserves	<u>35,934</u>
	<u><u>\$ 102,800</u></u>

NOTE Q – CAPITAL ASSETS

A summary of Capital Assets for the Authority at June 30, 2019 is as follows:

	Public Housing & CFP	Housing Choice Vouchers	New Construction	State/Local
Land	\$ 196,283	\$ -	\$ 91,928	\$ 73,227
Building and Improvements	13,244,495	-	2,607,554	2,134,796
Furniture and Equipment	508,446	12,687	117,419	4,018
Construction in Progress	441,996	-	-	-
Less Accumulated Depreciation	<u>(11,350,479)</u>	<u>(10,163)</u>	<u>(2,458,976)</u>	<u>(1,281,092)</u>
Total Capital Assets	<u><u>\$ 3,040,741</u></u>	<u><u>\$ 2,524</u></u>	<u><u>\$ 357,925</u></u>	<u><u>\$ 930,949</u></u>

	Business Activities	Component Unit	Central Office	Total Enterprise Fund
Land	\$ 7,025	\$ 55,300	\$ 13,944	\$ 437,707
Building and Improvements	3,061,337	1,823,284	1,940,498	24,811,964
Furniture and Equipment	7,575	78,075	252,101	980,321
Construction in Progress	-	-	-	441,996
Less Accumulated Depreciation	<u>(902,465)</u>	<u>(1,508,181)</u>	<u>(635,209)</u>	<u>(18,146,565)</u>
Total Capital Assets	<u><u>\$ 2,173,472</u></u>	<u><u>\$ 448,478</u></u>	<u><u>\$ 1,571,334</u></u>	<u><u>\$ 8,525,423</u></u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE Q – CAPITAL ASSETS – CONTINUED

	Beginning <u>Balance</u>	<u>Additions</u>	Transfers & <u>Deletions</u>	Ending <u>Balance</u>
Land	\$ 436,907	\$ 800	\$ -	\$ 437,707
Construction in Progress	<u>727,189</u>	<u>158,274</u>	<u>(443,467)</u>	<u>441,996</u>
Total Assets not being Depreciated	1,164,096	159,074	(443,467)	879,703
Buildings and Improvements	23,534,581	1,051,163	226,220	24,811,964
Furniture and Equipment	<u>939,168</u>	<u>9,258</u>	<u>31,895</u>	<u>980,321</u>
Total Capital Assets	25,637,845	1,219,495	(185,352)	26,671,988
Less Accumulated Depreciation:				
Building and Improvements	(16,770,146)	(688,997)	57,001	(17,402,142)
Furniture and Equipment	<u>(729,470)</u>	<u>(15,324)</u>	<u>371</u>	<u>(744,423)</u>
Net Book Value	<u>\$ 8,138,229</u>	<u>\$ 515,174</u>	<u>\$ (127,980)</u>	<u>\$ 8,525,423</u>

NOTE R – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 23, 2020 the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE S – BLENDED COMPONENT UNIT CONDENSED FINANCIAL STATEMENTS

Condensed Blended Component Unit - Statement of Net Position as of June 30, 2019

	Riverside Apartments	Building for Change, LLC	Total
<u>Assets and Deferred Outflows</u>			
Current, restricted and other assets	\$ 756,533	\$ 6,627	\$ 763,160
Capital assets (net of depreciation)	448,478	-	448,478
Total Assets	<u>\$ 1,205,011</u>	<u>\$ 6,627</u>	<u>\$ 1,211,638</u>
<u>Liabilities and Deferred Inflows</u>			
Current liabilities	\$ 22,413	\$ -	\$ 22,413
Noncurrent liabilities	1,277	-	1,277
Total Liabilities	<u>\$ 23,690</u>	<u>\$ -</u>	<u>\$ 23,690</u>
<u>Net Position</u>			
Invested in capital assets	\$ 448,478	\$ -	\$ 448,478
Unrestricted net position	732,843	6,627	739,470
Total net position	<u>\$ 1,181,321</u>	<u>\$ 6,627</u>	<u>\$ 1,187,948</u>

Condensed Blended Component Unit - Statement of Revenues, Expenses and Changes in Net Position for the Year ended June 30, 2019

	Riverside Apartments	Building for Change, LLC	Total
<u>Revenue</u>			
Tenant rental and operating grants	\$ 220,247	\$ -	\$ 220,247
Other Revenue	1,912	8,857	10,769
Total Revenue	<u>222,159</u>	<u>8,857</u>	<u>231,016</u>
<u>Operating Expenses</u>			
Administrative	75,198	-	75,198
Tenant Services	762	-	762
Utilities	47,528	-	47,528
Maintenance and Operations	71,641	-	71,641
Protective Services	2,356	-	2,356
General	18,103	2,243	20,346
Depreciation	49,731	-	49,731
Total Operating Expenses	<u>265,319</u>	<u>2,243</u>	<u>267,562</u>
Net Operating Income (Loss)	(43,160)	6,614	(36,546)
<u>Non -Operating Revenues and Expenses</u>			
Investment Income	3,368	13	3,381
Total Non-Operating Revenues and Expenses	<u>3,368</u>	<u>13</u>	<u>3,381</u>
Increase (decrease) in Net Position	(39,792)	6,627	(33,165)
Beginning net position	-	-	-
Transfer of Net Position	1,221,113	-	1,221,113
Ending net position	<u>\$ 1,181,321</u>	<u>\$ 6,627</u>	<u>\$ 1,187,948</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE S – BLENDED COMPONENT UNIT CONDENSED FINANCIAL STATEMENTS – CONTINUED

Condensed Blended Component Unit - Statement of Cash Flows for the year ended June 30, 2019

	Riverside Apartments	Building for Change, LLC	Total
Cashflows:			
from (used by) operating activities	\$ 56,922	\$ 5,751	\$ 62,673
from (used by) investing activities	-	13	13
from (used by) capital activity	(8,584)	-	(8,584)
from (used by) financing activities	-	-	-
Net increase in cash and cash equivalents	48,338	5,764	54,102
Beginning current & restricted cash	-	-	-
Ending current & restricted cash	<u>\$ 48,338</u>	<u>\$ 5,764</u>	<u>\$ 54,102</u>
Reconciliation of operating income (loss) to net provided (used) by operating activities:			
Operating income (loss)	\$ (42,814)	\$ 6,614	\$ (36,546)
Depreciation	49,385	-	49,731
Change in prepaid expenses and deferred revenue	(1,167)	(863)	(2,030)
Change in operating receivables and payables	51,518	-	51,518
Net cash provided (used) by operating activities	<u>\$ 56,922</u>	<u>\$ 5,751</u>	<u>\$ 62,673</u>

**THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2019**

	Public Housing Capital Fund Program IN36P04150115	Public Housing Capital Fund Program IN36P04150116
Funds Approved	\$ 346,443	\$ 360,666
Funds Expended	346,443	360,666
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 346,443	\$ 360,666
Funds Expended	346,443	360,666
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All modernization costs have been paid and all related liabilities have been discharged through payment.

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

EXPENDITURES

Low Rent Public Housing Expenditures	
Total CFDA Number 14.850	\$ 684,251
Public Housing Capital Fund Program	
Total CFDA Number 14.872	595,547
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	1,996,447
Section 8 New Construction	
Total CFDA Number 14.182	260,470
Section 8 Housing Assistance Payments Program	
Total CFDA Number 14.195	81,734
Resident Opportunity Supportive Services - Service Coordinators	
Total CFDA Number 14.870	57,408
Resident Opportunity Supportive Services	
Total CFDA Number 14.896	70,225
TOTAL HUD EXPENDITURES	3,746,082
TOTAL FEDERAL EXPENDITURES	\$ 3,746,082

Note 1 - Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of operations of the Authority it is not intended to and does not present the financial net position, changes in net position or cash flows of the Authority.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Authority did not elect to use the 10% *De Minimus Cost Rate*.

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA [IN041]
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2019

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	N/C S/R SECTION 8 PROGRAMS	ROSS SERVICE COORDINATORS	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	COMPONENT UNITS	ELIMINATION	TOTAL	
	14.850	14.872	14.871	14.182	14.191	14.896							
ASSETS													
CURRENT ASSETS													
CASH													
111	CASH UNRESTRICTED	34,169	-	5,037	12,456	-	1,774	-	213,091	350,531	43,185	(631)	659,612
112	CASH - RESTRICTED - MODERNIZATION & DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
113	CASH - OTHER RESTRICTED	36,910	-	78,051	-	-	-	-	-	10,459	-	-	125,420
114	CASH - TENANT SECURITY DEPOSITS	45,785	-	-	23,283	-	-	9,071	19,423	7,701	10,917	-	116,180
115	CASH - RESTRICTED FOR PYMT OF CURRENT LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-
100	TOTAL CASH	116,864	-	83,088	35,739	-	1,774	9,071	232,514	368,691	54,102	(631)	901,212
ACCOUNTS AND NOTES RECEIVABLE													
121	A/R - PHA PROJECTS	-	-	-	-	-	-	-	-	-	-	-	-
122	A/R - HUD OTHER PROJECTS	212	-	-	83,257	-	-	-	-	-	57,255	-	140,724
124	A/R - OTHER GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	-
125	A/R - MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-
126	A/R - TENANTS	29,046	-	-	-	-	-	10,733	15,822	4,232	-	-	59,833
126.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS	(29,046)	-	-	-	-	-	-	-	-	-	-	(29,046)
126.2	ALLOWANCE FOR DOUBTFUL ACCOUNTS - OTHER	-	-	-	-	-	-	-	-	-	-	-	-
127	NOTES & MORTGAGES RECEIVABLE - CURRENT	-	-	-	-	-	-	-	-	-	-	-	-
128	FRAUD RECOVERY	-	-	-	-	-	-	-	-	-	-	-	-
128.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - FRAUD	-	-	-	-	-	-	-	-	-	-	-	-
129	ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-	-	-	-
120	TOTAL RECEIVABLES NET OF ALLOW	212	-	-	83,257	-	-	10,733	15,822	4,232	57,255	-	171,511
CURRENT INVESTMENTS													
131	INVESTMENTS - UNRESTRICTED	257,925	-	-	-	-	-	-	-	-	649,773	-	907,698
132	INVESTMENTS - RESTRICTED	-	-	-	35,934	-	-	-	-	-	-	-	35,934
135	INVESTMENTS - RESTRICTED FOR PYMT OF CURRENT LIABILITY	-	-	-	-	-	-	-	-	-	-	-	-
142	PREPAID EXPENSES AND OTHER ASSETS	13,967	-	3,999	2,080	-	735	1,267	2,028	19,098	2,030	-	45,204
143	INVENTORIES	-	-	-	-	-	-	-	-	9,914	-	-	9,914
143.1	ALLOWANCE FOR OBSOLETE INVENTORY	-	-	-	-	-	-	-	-	-	-	-	-
144	INTER PROGRAM DUE FROM	-	-	-	-	-	-	-	-	307,104	-	(307,104)	-
145	ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	388,968	-	87,087	157,010	-	2,509	21,071	250,364	709,039	763,160	(307,735)	2,071,473
NONCURRENT ASSETS													
CAPITAL ASSETS													
161	LAND	196,283	-	-	91,928	-	-	73,227	7,025	13,944	55,300	-	437,707
162	BUILDINGS	4,331,787	-	-	2,207,332	-	-	1,561,859	2,278,357	1,035,541	1,152,439	-	12,567,315
163	FURNITURE & EQUIPMENT - DWELLINGS	184,588	-	2,878	65,085	-	-	2,056	1,754	2,539	22,006	-	280,906
163	FURNITURE & EQUIPMENT - ADMINISTRATION	323,858	-	9,809	52,334	-	-	1,962	5,821	249,562	56,069	-	699,415
165	LEASEHOLD IMPROVEMENTS	8,912,708	-	-	400,222	-	-	572,937	782,980	904,957	670,845	-	12,244,649
167	CONSTRUCTION IN PROGRESS	-	441,996	-	-	-	-	-	-	-	-	-	441,996
168	INFRASTRUCTURE	-	-	-	-	-	-	-	-	-	-	-	-
166	ACCUMULATED DEPRECIATION	(11,350,479)	-	(10,163)	(2,458,976)	-	-	(1,281,092)	(902,465)	(635,209)	(1,508,181)	-	(18,146,565)
160	TOTAL CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	2,598,745	441,996	2,524	357,925	-	-	930,949	2,173,472	1,571,334	448,478	-	8,525,423
171	NOTES & MORTGAGES RECEIVABLE - NON-CURRENT	87,475	-	-	-	-	-	-	-	-	-	(87,475)	-
172	NOTES & MORTGAGES RECEIVABLE - NON-CURRENT - PAST-DUE	-	-	-	-	-	-	-	-	-	-	-	-
173	GRANTS RECEIVABLE - NON-CURRENT	-	-	-	-	-	-	-	-	-	-	-	-
174	OTHER ASSETS	-	-	-	-	-	-	-	-	-	-	-	-
176	INVESTMENTS IN JOINT VENTURES	-	-	-	-	-	-	-	-	-	-	-	-
180	TOTAL NON-CURRENT ASSETS	2,686,220	441,996	2,524	357,925	-	-	930,949	2,173,472	1,571,334	448,478	(87,475)	8,525,423
200	DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	3,075,188	441,996	89,611	514,935	-	2,509	952,020	2,423,836	2,280,373	1,211,638	(395,210)	10,596,896
LIABILITIES AND EQUITY													
CURRENT LIABILITIES													
311	BANK OVERDRAFT	-	-	-	-	-	-	631	-	-	-	(631)	-
312	A/P < 90 DAYS	24,868	-	-	6,293	-	-	4,068	27,257	83,777	4,384	-	150,647
313	A/P > 90 DAYS PAST DUE	-	-	-	-	-	-	-	-	-	-	-	-
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	3,710	-	708	2,103	-	1,003	216	1,336	8,434	1,360	-	18,870
322	ACCRUED COMPENSATED ABSENCES - CURRENT PORTION	-	-	-	-	-	-	-	-	-	-	-	-
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA [IN041]
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2019

		CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	N/C S/R SECTION 8 PROGRAMS	ROSS SERVICE COORDINATORS	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	COMPONENT UNITS	ELIMINATION	TOTAL	
		LOW RENT 14.850	14.872	14.871	14.182	14.191	14.896						
325	ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	5,703	631	-	-	6,334	
331	A/P - HUD PHA PROGRAMS	-	-	-	-	-	-	-	-	-	-	-	
332	A/P - PHA PROJECTS	-	-	-	-	-	-	-	87,475	-	(87,475)	-	
333	A/P - OTHER GOVERNMENT	23,013	-	-	11,545	-	-	40,556	18,940	3,959	-	98,013	
341	TENANT SECURITY DEPOSITS	45,785	-	-	23,283	-	-	9,071	19,423	7,701	10,917	116,180	
342	UNEARNED REVENUES	-	-	-	-	-	-	-	384	-	-	384	
343	CURRENT PORTION - LT DEBT - CAPITAL/MORTGAGE	-	-	-	-	-	-	10,909	43,936	1,497,788	-	1,552,633	
344	CURRENT PORTION - LT DEBT - OPERATING BORROWINGS	-	-	-	-	-	-	-	-	-	-	-	
345	OTHER CURRENT LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	
346	ACCRUED LIABILITIES - OTHER	5,165	-	1,078	2,768	-	-	943	3,840	3,833	1,793	19,420	
347	INTER PROGRAM - DUE TO	-	-	265,003	33,422	-	-	8,679	-	-	-	(307,104)	
348	LOAN LIABILITY - CURRENT	-	-	-	-	-	-	-	-	-	-	-	
310	TOTAL CURRENT LIABILITIES	102,541	-	266,789	79,414	-	1,003	34,517	142,051	1,708,963	22,413	(395,210)	1,962,481
	NONCURRENT LIABILITIES												
351	LT DEBT, NET OF CURRENT - CAPITAL/MORTGAGE	-	-	-	-	-	-	-	1,846,567	-	-	-	1,846,567
352	LT DEBT, NET OF CURRENT - OPERATING BORROWINGS	-	-	-	-	-	-	-	-	-	-	-	
353	NON-CURRENT LIABILITIES - OTHER	36,910	-	11,185	-	-	-	-	-	-	-	48,095	
354	ACCRUED COMPENSATED ABSENCES - NON-CURRENT	20,189	-	884	3,490	-	1,506	798	17	74,093	1,277	-	102,254
355	LOAN LIABILITY - NON-CURRENT	-	-	-	-	-	-	-	-	-	-	-	
350	TOTAL NONCURRENT LIABILITIES	57,099	-	12,069	3,490	-	1,506	798	1,846,584	74,093	1,277	-	1,996,916
300	TOTAL LIABILITIES	159,640	-	278,858	82,904	-	2,509	35,315	1,988,635	1,783,056	23,690	(395,210)	3,959,397
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-	
508.4	NET INVESTMENT IN CAPITAL ASSETS	2,598,745	441,996	2,524	357,925	-	-	920,040	282,969	73,546	448,478	-	5,126,223
511.4	RESTRICTED NET POSITION	-	-	66,866	35,934	-	-	-	-	-	-	-	102,800
512.4	UNRESTRICTED NET POSITION	316,803	-	(258,637)	38,172	-	-	(3,335)	152,232	423,771	739,470	-	1,408,476
513	TOTAL EQUITY - NET POSITION	2,915,548	441,996	(189,247)	432,031	-	-	916,705	435,201	497,317	1,187,948	-	6,637,499
600	TOTAL LIAB., DEF. INFLOW OF RES., AND NET POSITION	3,075,188	441,996	89,611	514,935	-	2,509	952,020	2,423,836	2,280,373	1,211,638	(395,210)	10,596,896
70300	NET TENANT RENTAL REVENUE	461,116	-	-	296,076	-	-	126,294	479,770	-	137,997	-	1,501,253
70400	TENANT REVENUE - OTHER	47,979	-	-	8,960	-	-	11,002	39,615	-	516	-	108,072
70500	TOTAL TENANT REVENUE	509,095	-	-	305,036	-	-	137,296	519,385	-	138,513	-	1,609,325
70600	HUD PHA OPERATING GRANTS	684,251	437,273	1,996,447	260,470	57,408	70,225	-	-	-	81,734	-	3,587,808
70610	CAPITAL GRANTS	-	158,274	-	-	-	-	-	-	-	-	-	158,274
70710	MANAGEMENT FEE	-	-	-	-	-	-	-	-	355,820	-	(355,820)	-
70720	ASSET MANAGEMENT FEE	-	-	-	-	-	-	-	-	27,300	-	(27,300)	-
70730	BOOKKEEPING FEE	-	-	-	-	-	-	-	-	77,418	-	(77,418)	-
70740	FRONT LINE SERVICE FEE	-	-	-	-	-	-	-	-	-	-	-	-
70750	OTHER FEE	-	-	-	-	-	-	-	-	2,928	-	(2,928)	-
70800	OTHER GOVERNMENT GRANTS	-	-	-	-	-	-	-	-	-	-	-	-
71100	INVESTMENT INCOME - UNRESTRICTED	10,314	-	1,060	977	-	-	2	7,621	2,381	3,381	-	25,736
71200	MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-	-	-	-	-	-
71400	FRAUD RECOVERY	22,255	-	4,145	-	-	-	-	-	755	-	-	27,155
71500	OTHER REVENUE	15,834	-	11,518	6,225	-	-	2,959	322,779	348,675	10,769	(267,968)	450,791
71600	GAIN OR LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-	-	-	(57,229)	(21,978)	-	-	(79,207)
72000	INVESTMENT INCOME - RESTRICTED	-	-	-	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	1,241,749	595,547	2,013,170	572,708	57,408	70,225	140,257	792,556	793,299	234,397	(731,434)	5,779,882
	EXPENSES												
	ADMINISTRATIVE												
91100	ADMINISTRATIVE SALARIES	84,487	-	53,333	30,322	38,638	54,137	7,314	22,957	387,569	13,721	-	692,478
91200	AUDITING FEES	3,468	-	1,575	2,793	-	-	1,050	4,271	4,258	1,179	-	18,594
91300	MANAGEMENT FEE	159,051	-	55,236	67,868	-	-	8,385	34,763	-	30,517	(355,820)	-
91310	BOOKKEEPING FEE	19,688	-	34,523	8,422	-	-	2,160	8,883	-	3,742	(77,418)	-
91400	ADVERTISING AND MARKETING	3,400	-	122	1,414	-	-	126	542	7,256	1,340	-	14,200
91500	EMPLOYEE BENEFIT CONTRIBUTIONS	80,421	-	20,888	14,723	5,988	16,088	3,293	4,710	108,847	6,342	-	261,300
91600	OFFICE EXPENSES	29,980	-	21,042	17,986	10,913	-	6,675	13,419	67,315	4,734	(2,928)	169,136
91700	LEGAL EXPENSE	7,972	-	-	192	-	-	611	3,066	6,296	2,000	-	20,137
91800	TRAVEL	508	-	13	146	87	-	5	925	40	185	-	1,909
91810	ALLOCATED OVERHEAD	-	-	-	-	-	-	-	-	-	-	-	-
91900	OTHER	2,628	-	997	1,347	-	-	435	1,561	3,422	11,438	-	21,828

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA [IN041]
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2019

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	N/C S/R SECTION 8 PROGRAMS	ROSS SERVICE COORDINATORS	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	COMPONENT UNITS	ELIMINATION	TOTAL
	14.850	14.872	14.871	14.182	14.191	14.896						
92000 ASSET MANAGEMENT FEE	27,300	-	-	-	-	-	-	-	-	-	(27,300)	-
TENANT SERVICES												
92100 TENANT SERVICES - SALARIES	-	-	-	-	-	-	-	-	-	-	-	-
92200 RELOCATION COSTS	-	-	-	-	-	-	-	-	-	-	-	-
92300 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-
92400 TENANT SERVICES - OTHER	3,749	-	-	1,947	-	-	66	-	3,568	762	-	10,092
UTILITIES												
93100 WATER	45,865	-	-	20,146	450	-	2,665	39,007	12,360	7,970	-	128,463
93200 ELECTRICITY	171,130	-	-	94,631	450	-	1,958	10,605	54,280	39,558	-	372,612
93300 GAS	-	-	-	-	-	-	1,464	122	20,673	-	-	22,259
93400 FUEL	-	-	-	-	-	-	-	-	-	-	-	-
93500 LABOR	-	-	-	-	-	-	-	-	-	-	-	-
93600 SEWER	-	-	-	-	-	-	-	-	-	-	-	-
93700 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-
93800 OTHER UTILITIES EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-
ORDINARY MAINTENANCE & OPERATIONS												
94100 ORDINARY MAINTENANCE & OPERATIONS - LABOR	141,490	-	-	46,519	-	-	7,263	18,356	18,141	16,449	-	248,218
94200 ORDINARY MAINTENANCE & OPERATIONS - MATERIALS	93,014	-	1,350	42,259	54	-	12,169	79,975	73,438	15,077	-	317,336
94300 ORDINARY MAINTENANCE & OPERATIONS - CONTRACTS	210,115	-	357	87,042	-	-	37,023	71,087	97,424	40,115	-	543,163
94500 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-
PROTECTIVE SERVICES												
95100 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-	-	-	-	-	-
95200 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	13,053	-	-	1,926	-	-	385	1,541	-	2,356	-	19,261
95300 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	-	-	-	-	-
95500 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-
GENERAL EXPENSES												
96100 INSURANCE PREMIUMS	84,482	-	8,687	21,662	828	-	11,617	30,123	54,562	14,429	-	226,390
96200 OTHER GENERAL EXPENSES	26,166	-	3,657	-	-	-	-	41,620	1,377	-	-	72,820
96210 COMPENSATED ABSENCES	-	-	-	957	-	-	-	-	-	1,277	-	2,234
96300 PAYMENTS IN LIEU OF TAXES	26,720	-	-	11,545	-	-	-	-	50,008	3,959	-	92,232
96400 BAD DEBT - TENANT RENTS	42,277	-	-	602	-	-	3,940	7,919	570	681	-	55,989
96500 BAD DEBT - MORTGAGES	-	-	-	-	-	-	-	28,611	-	-	-	28,611
96600 BAD DEBT - OTHER	19,530	-	-	2,494	-	-	31,019	-	262,994	-	(267,968)	48,069
96700 INTEREST EXPENSE	-	-	-	-	-	-	5,095	93,160	67,949	-	-	166,204
96900 TOTAL OPERATING EXPENSES	1,296,494	-	201,780	476,943	57,408	70,225	144,718	517,223	1,302,347	217,831	(731,434)	3,553,535
97000 EXCESS OPERATING REVENUE OVER OP EXP	(54,745)	595,547	1,811,390	95,765	-	-	(4,461)	275,333	(509,048)	16,566	-	2,226,347
97100 EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-
97200 CASUALTY LOSSES - NON-CAPITALIZED	-	-	-	-	-	-	-	-	-	-	-	-
97300 HOUSING ASSISTANCE PAYMENTS	-	-	1,738,581	-	-	-	-	-	-	-	-	1,738,581
97350 HAP PORTABILITY-IN	-	-	9,689	-	-	-	-	-	-	-	-	9,689
97400 DEPRECIATION EXPENSE	331,873	-	341	88,913	-	-	43,748	120,961	68,754	49,731	-	704,321
97500 FRAUD LOSSES	-	-	-	-	-	-	-	-	-	-	-	-
97600 CAPITAL OUTLAYS - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-	-	-	-	-	-
97700 DEBT PRINCIPAL PAYMENT - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-	-	-	-	-	-
97800 DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	1,628,367	-	1,950,391	565,856	57,408	70,225	188,466	638,184	1,371,101	267,562	(731,434)	6,006,126
10010 OPERATING TRANSFER IN	437,273	-	-	-	-	-	-	-	-	-	(334,424)	102,849
10020 OPERATING TRANSFER OUT	-	(437,273)	-	-	-	-	-	-	-	-	334,424	(102,849)
10030 OPERATING TRANSFERS FROM/TO PRIMARY GOVERNMENT	(58,603)	-	-	-	-	-	-	-	58,603	-	-	-
10091 INTER PROJECT EXCESS CASH TRANSFER IN	94,090	-	-	-	-	-	-	-	-	-	(94,090)	-
10092 INTER PROJECT EXCESS CASH TRANSFER OUT	(94,090)	-	-	-	-	-	-	-	-	-	94,090	-
10100 TOTAL OTHER FINANCING SOURCES (USES)	378,670	(437,273)	-	-	-	-	-	-	58,603	-	-	-
10000 EXCESS REVENUE OVER EXPENSES	(7,948)	158,274	62,779	6,852	-	-	(48,209)	154,372	(519,199)	(33,165)	-	(226,244)
11020 REQUIRED ANNUAL DEBT PRINCIPAL PAYMENTS	-	-	-	-	-	-	-	-	-	-	-	-
11030 BEGINNING EQUITY	3,701,142	727,189	(252,026)	425,179	-	-	964,914	280,829	1,016,516	-	-	6,863,743
11040 EQUITY TRANSFERS	(1,221,113)	-	-	-	-	-	-	-	-	1,221,113	-	-
11040 EQUITY TRANSFERS	443,467	(443,467)	-	-	-	-	-	-	-	-	-	-
ENDING EQUITY	2,915,548	441,996	(189,247)	432,031	-	-	916,705	435,201	497,317	1,187,948	-	6,637,499

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA [IN041]
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2019

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	N/C S/R SECTION 8 PROGRAMS	ROSS SERVICE COORDINATORS	RESIDENT OPPORTUNITY SUPPORTIVE SERVICES	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	COMPONENT UNITS	ELIMINATION	TOTAL
	14.850	14.872	14.871	14.182	14.191	14.896						
11170 ADMINISTRATIVE FEE EQUITY	-	-	(256,113)	-	-	-	-	-	-	-	-	(256,113)
11180 HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	66,866	-	-	-	-	-	-	-	-	66,866
11190 UNIT MONTHS AVAILABLE	3,240	-	5,652	1,176	-	-	300	1,224	24	612	-	12,228
11120 # UNIT MONTHS LEASED	2,629	-	4,526	1,119	-	-	262	1,150	24	500	-	10,210
11620 BUILDING PURCHASES	-	-	-	-	-	-	-	-	-	-	-	-
11630 FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	158,274	-	-	-	-	-	-	-	-	-	158,274
11640 FURNITURE & EQUIPMENT - ADMIN PURCHASES	-	-	-	-	-	-	-	-	-	-	-	-
11650 LEASEHOLD IMPROVEMENTS PURCHASES	-	-	-	-	-	-	-	-	-	-	-	-
11660 INFRASTRUCTURE PURCHASES	-	-	-	-	-	-	-	-	-	-	-	-
13510 CFFP DEBT SERVICE PAYMENTS	-	-	-	-	-	-	-	-	-	-	-	-
13910 REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

Is noncompliance that could have a material effect on the financial statements identified? Yes No

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

Type of report issued on compliance with requirements applicable to each major program: Unmodified

Are there any audit findings that are required to be reported in accordance with 2CFR Section 200.516(a) of the Uniform Guidance? Yes No

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None Noted

Current Year Findings and Questioned Costs:

None Noted

Section III: Federal Award Findings and Questioned Costs

Summary Schedule of Prior Year Findings:

None Noted

Current Year Findings and Questioned:

None Noted