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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

October 19, 2021

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, 2019 to June 30, 2020. 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, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Aprio, LLP, prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

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

Paul D. Joyce, CPA
State Examiner

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED JUNE 30, 2020

THE HOUSING AUTHORITY OF THE CITY OF MARION

MARION, INDIANA

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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, 2020, 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, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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.

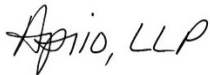
Other Information

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. 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 and 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 11, 2021 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 11, 2021

**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, 2020, 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 11, 2021.

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) as a basis for designing 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 financial statements. 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 11, 2021

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, 2020. 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, 2020.

Other Matters

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

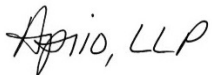
Report on Internal Control Over Compliance

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 11, 2021

**THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2020**

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 increased \$637,280 in 2020. Net Position was \$6,637,499 and \$7,274,779 for 2019 and 2020 respectively.

- Revenues increased \$821,382 during 2020 and were \$5,805,618 and \$6,627,000 for 2019 and 2020 respectively.

- Total expenses decreased \$16,406 during 2020 and were \$6,006,126 and \$5,989,720 for 2019 and 2020 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>2020</u>	<u>2019</u>	<u>Variance</u>
Assets:			
Current & Restricted Assets	\$ 2,931,625	\$ 2,071,473	\$ 860,152
Capital Assets	<u>7,199,660</u>	<u>8,525,423</u>	<u>(1,325,763)</u>
Total Assets	<u>\$ 10,131,285</u>	<u>\$ 10,596,896</u>	<u>\$ (465,611)</u>
Liabilities:			
Current Liabilities	\$ 1,542,483	\$ 1,962,481	\$ (419,998)
Non Current Liabilities	<u>1,314,023</u>	<u>1,996,916</u>	<u>(682,893)</u>
Total Liabilities	<u>\$ 2,856,506</u>	<u>\$ 3,959,397</u>	<u>\$ (1,102,891)</u>
Net Position:			
Net Investment in Capital Assets	\$ 4,976,567	\$ 5,126,223	\$ (149,656)
Restricted Net Position	586,745	102,800	483,945
Unrestricted Net Position	<u>1,711,467</u>	<u>1,408,476</u>	<u>302,991</u>
Total Net Position	<u>\$ 7,274,779</u>	<u>\$ 6,637,499</u>	<u>\$ 637,280</u>

Major Factors Affecting the Statement of Net Position

During 2020, current and restricted assets increased by \$860,152. The increase was primarily due to an increase cash and cash equivalents offset by a decrease in receivables from HUD. Capital assets decreased due to depreciation expense and the sale of Beckford Place. Liabilities decreased primarily due to debt payments on the line of credit and the payoff of the Beckford Place mortgage.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Position, June 30, 2019	\$ 1,408,476
Results of Operations	87,226
Capital Expenditures from Operations	(281,612)
Investment Income	25,491
Proceeds from sale of Capital Assets	1,606,571
Transfer from (to) Restricted Net Position	(483,945)
Proceeds from issuance of Capital Debt	851,238
Principal and Interest on Capital Debt	(2,224,696)
Depreciation Expense	<u>722,718</u>
Unrestricted Net Position, June 30, 2020	<u><u>\$ 1,711,467</u></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>2020</u>	<u>2019</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 1,645,866	\$ 1,609,325	\$ 36,541
Operating Grants	3,835,576	3,587,808	247,768
Capital Grants	107,874	158,274	(50,400)
Investment Income	25,491	25,736	(245)
Gain on Sale of Capital Assets	614,040	25,736	588,304
Other Revenue	398,153	398,739	(586)
	<u>\$ 6,627,000</u>	<u>\$ 5,805,618</u>	<u>\$ 821,382</u>
Expenses:			
Administrative Expenses	\$ 1,100,395	\$ 1,199,582	\$ (99,187)
Tenant Services	7,620	10,092	(2,472)
Utilities	495,949	523,334	(27,385)
Maintenance & Operations	1,162,841	1,108,717	54,124
Protective Services	18,524	19,261	(737)
General Expense	486,447	526,345	(39,898)
Housing Assistance Payments	1,797,875	1,748,270	49,605
Interest Expense	197,351	166,204	31,147
Depreciation	722,718	704,321	18,397
	<u>\$ 5,989,720</u>	<u>\$ 6,006,126</u>	<u>\$ (16,406)</u>
Excess (Deficiency) Revenues Over Expenses	<u><u>\$ 637,280</u></u>	<u><u>\$ (200,508)</u></u>	<u><u>\$ 837,788</u></u>

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES

The excess of revenues over expenses increased due to an increase in revenues and a decrease in expenses.

Revenues increased mainly due to increases in operating grants and gain on sale of capital assets. Operating grants increased due to an increase in amounts received for HAP assistance. The gain on the sale of capital assets resulted from the sale of Beckford Place.

Expenses decreased slightly due primarily to a decrease in administrative expenses. Administrative expenses decrease due primarily to a decrease in salaries and benefits. Maintenance expenses increased due to an increase in materials and contract costs. HAP increased due an increase in average rent payments. Interest expense increased primarily due to the line of credit reaching it's maximum amount during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$7,199,660 invested in a variety of capital assets as reflected in the following schedule, which represents a 16% decrease from last year.

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

	2020	2019	Variance	% Change
Land	\$ 438,507	\$ 437,707	\$ 800	0%
Buildings and Improvements	23,612,002	24,811,964	(1,199,962)	-5%
Furniture and Equipment	978,054	980,321	(2,267)	0%
Construction in Progress	549,870	441,996	107,874	24%
Accumulated Depreciation	<u>(18,378,773)</u>	<u>(18,146,565)</u>	<u>(232,208)</u>	<u>1%</u>
Net Capital Assets	<u>\$ 7,199,660</u>	<u>\$ 8,525,423</u>	<u>\$ (1,325,763)</u>	<u>-16%</u>

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, July 1, 2019	\$ 8,525,423
Additions	
Improvements - Capital Fund	107,874
Improvements - Operating	281,612
Deletions (Net)	(992,531)
Depreciation Expense	<u>(722,718)</u>
Ending Balance, June 30, 2020	<u>\$ 7,199,660</u>

DEBT ADMINISTRATION

As of year-end, the Authority had \$2,223,093 in long term debt outstanding, compared to a \$3,399,200 balance in 2019. The decrease is due the payment in full of the Beckford Place loan and payments on the Line of Credit.

TABLE 6
OUTSTANDING LONG-TERM DEBT, AT YEAR-END

	<u>2020</u>	<u>2019</u>
Capital Improvements	<u>2,223,093</u>	<u>3,399,200</u>
Total	<u>\$ 2,223,093</u>	<u>\$ 3,399,200</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
- Potential political and economic conditions due to public health concerns related to the novel coronavirus or COVID-19

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, 2020. 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, 2020

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 1,876,989
Accounts Receivable - HUD	51,597
Tenants Accounts Receivable	34,843
Allowance for Doubtful Accounts	(4,445)
Investments	262,864
Prepaid Costs	53,653
Inventory	8,369
Total Current Assets	<u>2,283,870</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	61,010
Investments	586,745
Total Restricted Assets	<u>647,755</u>
<u>Capital Assets</u>	
Land	438,507
Buildings and Improvements	23,612,002
Furniture and Equipment	978,054
Construction in Progress	549,870
	<u>25,578,433</u>
(Less): Accumulated Depreciation	(18,378,773)
Net Capital Assets	<u>7,199,660</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 10,131,285</u></u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA
 STATEMENT OF NET POSITION
 JUNE 30, 2020

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

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 131,756
Accrued Wages and Payroll Taxes	29,899
Accrued Compensated Absences	9,654
Accrued Interest Payable	4,669
A/P - Other Government	92,880
Tenant Security Deposits	123,890
Unearned Revenues	92,543
Current Portion of Notes Payable	1,057,192
Total Current Liabilities	<u>1,542,483</u>
<u>Long Term Liabilities</u>	
Notes Payable - Long-Term	1,165,901
FSS Escrows	50,899
Accrued Compensated Absences	97,223
Total Long Term Liabilities	<u>1,314,023</u>
Total Liabilities	<u>2,856,506</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net Investment in Capital Assets	4,976,567
Restricted Net Position	586,745
Unrestricted Net Position	1,711,467
Total Net Position	<u>7,274,779</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 10,131,285</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, 2020**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,645,866
Operating Grants	3,835,576
Other Revenue	398,153
Total Operating Revenues	<u>5,879,595</u>
<u>Operating Expenses</u>	
Administrative	1,100,395
Tenant Services	7,620
Utilities	495,949
Maintenance and Operations	1,162,841
Protective Services	18,524
General Expense	486,447
Housing Assistance Payments	1,797,875
Depreciation	722,718
Total Operating Expenses	<u>5,792,369</u>
Operating Income (Loss)	<u>87,226</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	25,491
Interest Expense	(197,351)
Gain/(Loss) on Disposal of Asset	614,040
Total Non-Operating Revenues (Expenses)	<u>442,180</u>
Increase (Decrease) in Net Position before Capital Contributions	<u>529,406</u>
Capital Contributions	<u>107,874</u>
Increase (Decrease) in Net Position	637,280
Net Position, Beginning	6,637,499
Net Position, Ending	<u><u>\$ 7,274,779</u></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, 2020**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,634,938
Cash Received from Operating Grants	3,980,543
Cash Received from Other Sources	318,407
Cash Payments for Salaries & Benefits	(1,088,893)
Cash Payments to Vendors & Landlords	(3,877,132)
Net Cash flows provided (used) by Operating activities	<u>967,863</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	107,448
Capital Outlay	(389,486)
Proceeds from Sale of Capital Assets	1,606,571
Proceeds Received from Capital Debt	851,238
Principal and Interest Payments on Capital Debt	(2,226,361)
Net cash flows provided (used) by capital and related financing activities	<u>(50,590)</u>
<u>Cash flows from investing activities:</u>	
Cash Transfer from (to) Investments	94,023
Cash received from earnings on investments	25,491
Net cash flows provided (used) by investing activities	<u>119,514</u>
Net Increase (decrease) in cash, cash equivalents and restricted cash	1,036,787
Cash, cash equivalents and restricted cash beginning of the year:	<u>901,212</u>
Cash, cash equivalents and restricted cash end of the year:	<u>\$ 1,937,999</u>
<u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u>	
Operating Income (Loss)	\$ 87,226
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	722,718
Bad Debt Expense	138,322
Change in Accounts Receivable	(32,240)
Change in Prepaid Costs	(8,449)
Change in Inventory	1,545
Change in Accounts Payable	(38,311)
Change in Accrued Expenses	10,519
Change in Tenant Security Deposits	7,710
Change in FSS Escrow	2,804
Change in Unearned Revenues	76,019
Net cash provided by (used in) operating activities	<u>\$ 967,863</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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, 2020, and as of March 11, 2021. 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 \$1,937,799. Investments consist of certificates of deposit totaling \$849,609. 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	1,809,232	1,925,588
Uncollateralized	8,444	8,369
	<u>\$ 2,787,408</u>	<u>\$ 2,903,689</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	\$60,241

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 \$51,209, while employees contributed \$38,693.

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	\$	310,982
Public Housing		(4,951)
Section 8 Housing Choice Vouchers		(266,470)
Section 8 New Construction		(16,345)
Business Activities		(18,058)
Blended Component Units		(158)
State/Local		(5,000)
	\$	<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, 2020, the balance on the agreement was \$77,400, 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, 2020, \$43,467 remains outstanding. The Authority also has outstanding property taxes due on Parkville Apartments, Centrum Mall and Maidenburg in the amount of \$49,413.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – NOTES PAYABLE

Long-term debt at June 30, 2020, 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	\$ 943,888
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. The loan was paid in full in May 2020.	-
Note payable to local financial institution, bearing 5.27% interest, maturing August 2044, annual principal and interest payments of \$1,541, collateralized by certain real property located in Marion, Indiana.	250,644
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 if full in August 2019.	-
Line of Credit payable to local financial institution, interest only payments due monthly at a rate of 4.75% with a maximum credit limit of \$1,683,261 and maturing on December 22, 2020, the loan was renewed for one year on January 12, 2021 and is collateralized by certain real property located in Marion, Indiana	1,028,561
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	-
	<u>2,223,093</u>
Less: Current Portion	<u>(1,057,192)</u>
Notes Payable, Non-Current	<u>\$ 1,165,901</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>
2021	1,057,192	106,844	1,165,901
2022	29,257	61,618	1,136,644
2023	30,851	60,023	1,105,793
2024	32,371	58,504	1,073,422
2025	34,296	56,578	1,039,126
2026 - 2030	201,490	252,882	837,636
2031 - 2035	262,740	191,631	574,896
2036 - 2040	342,575	111,796	232,321
2041 - 2043	232,321	19,977	-
Total Payments	<u>\$ 2,223,093</u>	<u>\$ 919,853</u>	

Interest expense for the year ended June 30, 2020 was \$197,351.

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	3,399,200	851,238	2,027,345	2,223,093	1,057,192
Accrued Compensated Absences	102,254	4,623	-	106,877	9,654
FSS Escrows	48,095	13,844	11,040	50,899	-
Total Debt	<u>\$ 3,549,549</u>	<u>\$ 869,705</u>	<u>\$ 2,038,385</u>	<u>\$ 2,380,869</u>	<u>\$ 1,066,846</u>

NOTE P – RESTRICTED ASSETS AND NET POSITION

The Authority's restricted assets consist of the following as of June 30, 2020:

FSS Escrows	\$ 50,899
Replacement Reserves	586,745
Local Grant Funding	10,111
Restricted Cash and Investments	<u>\$ 647,755</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, 2020:

Replacement Reserves	\$ 586,745
Total Restricted Net Position	<u>\$ 586,745</u>

NOTE Q – CAPITAL ASSETS

A summary of Capital Assets for the Authority at June 30, 2020 is as follows:

	Public Housing & CFP	Housing Choice Vouchers	New Construction	State/Local
Land	\$ 196,283	\$ -	\$ 91,928	\$ 73,227
Building and Improvements	13,250,250	-	2,630,762	2,134,796
Furniture and Equipment	508,446	12,849	117,733	4,142
Construction in Progress	549,870	-	-	-
Less Accumulated Depreciation	<u>(11,671,733)</u>	<u>(10,820)</u>	<u>(2,522,115)</u>	<u>(1,324,817)</u>
Total Capital Assets	<u>\$ 2,833,116</u>	<u>\$ 2,029</u>	<u>\$ 318,308</u>	<u>\$ 887,348</u>

	Business Activities	Component Unit	Central Office	Total Enterprise Fund
Land	\$ 7,025	\$ 55,300	\$ 14,744	\$ 438,507
Building and Improvements	1,582,330	1,927,281	2,086,583	23,612,002
Furniture and Equipment	3,807	78,226	252,851	978,054
Construction in Progress	-	-	-	549,870
Less Accumulated Depreciation	<u>(529,425)</u>	<u>(1,586,504)</u>	<u>(733,359)</u>	<u>(18,378,773)</u>
Total Capital Assets	<u>\$ 1,063,737</u>	<u>\$ 474,303</u>	<u>\$ 1,620,819</u>	<u>\$ 7,199,660</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	\$ 437,707	\$ 800	\$ -	\$ 438,507
Construction in Progress	<u>441,996</u>	<u>107,874</u>	<u>-</u>	<u>549,870</u>
Total Assets not being Depreciated	879,703	108,674	-	988,377
Buildings and Improvements	24,811,964	279,207	(1,479,007)	23,612,164
Furniture and Equipment	<u>980,321</u>	<u>1,605</u>	<u>(4,034)</u>	<u>977,892</u>
Total Capital Assets	26,671,988	389,486	(1,483,041)	25,578,433
Less Accumulated Depreciation:				
Building and Improvements	(17,402,142)	(674,382)	490,510	(17,586,014)
Furniture and Equipment	<u>(744,423)</u>	<u>(48,336)</u>	<u>-</u>	<u>(792,759)</u>
Net Book Value	<u>\$ 8,525,423</u>	<u>\$ (333,232)</u>	<u>\$ (992,531)</u>	<u>\$ 7,199,660</u>

On May 19, 2020, the Business Activities of the Authority sold Beckford Place Apartments to an unrelated party. The Authority reported a gain of \$614,040 and the proceeds from the sale were used to reduce the Authority's capital debt.

NOTE R – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 11, 2021 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, 2020

	Riverside Apartments	Building for Change, LLC	Total
<u>Assets and Deferred Outflows</u>			
Current, restricted and other assets	\$ 749,963	\$ 4,895	\$ 754,858
Capital assets (net of depreciation)	474,303	-	474,303
Total Assets	<u>\$ 1,224,266</u>	<u>\$ 4,895</u>	<u>\$ 1,229,161</u>
<u>Liabilities and Deferred Inflows</u>			
Current liabilities	\$ 42,329	\$ -	\$ 42,329
Noncurrent liabilities	1,447	-	1,447
Total Liabilities	<u>\$ 43,776</u>	<u>\$ -</u>	<u>\$ 43,776</u>
<u>Net Position</u>			
Invested in capital assets	\$ 474,303	\$ -	\$ 474,303
Restricted net assets	\$ 550,081	\$ -	\$ 550,081
Unrestricted net position	156,106	4,895	161,001
Total net position	<u>\$ 1,180,490</u>	<u>\$ 4,895</u>	<u>\$ 1,185,385</u>

Condensed Blended Component Unit - Statement of Revenues, Expenses and Changes in Net Position for the Year ended June 30, 2020

	Riverside Apartments	Building for Change, LLC	Total
<u>Revenue</u>			
Tenant rental and operating grants	\$ 327,243	\$ -	\$ 327,243
Other Revenue	2,977	747	3,724
Total Revenue	<u>330,220</u>	<u>747</u>	<u>330,967</u>
<u>Operating Expenses</u>			
Administrative	77,654	120	77,774
Tenant Services	670		670
Utilities	58,379		58,379
Maintenance and Operations	89,698		89,698
Protective Services	2,799		2,799
General	32,314	2,367	34,681
Depreciation	78,322	-	78,322
Total Operating Expenses	<u>339,836</u>	<u>2,487</u>	<u>342,323</u>
Net Operating Income (Loss)	(9,616)	(1,740)	(11,356)
<u>Non -Operating Revenues and Expenses</u>			
Investment Income	8,785	8	8,793
Total Non-Operating Revenues and Expenses	<u>8,785</u>	<u>8</u>	<u>8,793</u>
Increase (decrease) in Net Position	(831)	(1,732)	(2,563)
Beginning net position	1,181,321	6,627	1,187,948
Ending net position	<u>\$ 1,180,490</u>	<u>\$ 4,895</u>	<u>\$ 1,185,385</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 5 – BLENDED COMPONENT UNIT CONDENSED FINANCIAL STATEMENTS – CONTINUED

Condensed Blended Component Unit - Statement of Cash Flows for the year ended June 30, 2020

	Riverside Apartments	Building for Change, LLC	Total
Cashflows:			
from (used by) operating activities	\$ 114,096	\$ (1,856)	\$ 112,240
from (used by) investing activities	108,477	8	108,485
from (used by) capital activity	(104,148)	-	(104,148)
Net increase in cash and cash equivalents	118,425	(1,848)	116,577
Beginning current & restricted cash	48,338	5,764	54,102
Ending current & restricted cash	<u>\$ 166,763</u>	<u>\$ 3,916</u>	<u>\$ 170,679</u>
Reconciliation of operating income (loss) to net provided (used) by operating activities:			
Operating income (loss)	\$ (9,616)	\$ (1,740)	\$ (11,356)
Depreciation	78,322	-	78,322
Change in prepaid expenses and deferred revenue	(1,498)	(116)	(1,614)
Change in operating receivables and payables	46,888	-	46,888
Net cash provided (used) by operating activities	<u>\$ 114,096</u>	<u>\$ (1,856)</u>	<u>\$ 112,240</u>

THE HOUSING AUTHORITY OF THE CITY OF MARION
MARION, INDIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

EXPENDITURES

Low Rent Public Housing	
Total CFDA Number 14.850	\$ 785,043
Public Housing Capital Fund Program	
Total CFDA Number 14.872	599,713
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	1,905,603
Section 8 New Construction	
Total CFDA Number 14.182	396,181
Section 8 Housing Assistance Payments Program	
Total CFDA Number 14.195	160,772
Resident Opportunity Supportive Services - Service Coordinators	
Total CFDA Number 14.191	47,980
Resident Opportunity Supportive Services	
Total CFDA Number 14.896	48,158
TOTAL HUD EXPENDITURES	3,943,450
TOTAL FEDERAL EXPENDITURES	\$ 3,943,450

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, 2020

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	HCV CARES ACT FUNDING	N/C S/R SECTION 8	ROSS SERVICE COORDINATORS	RESIDENT OPPORTUNITY SUPPORTIVE FSS	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	COMPONENT UNITS	ELIMINATION	TOTAL
	14.850	14.872	14.871	14.HCC	14.182	14.191	14.896						
ASSETS													
CURRENT ASSETS													
CASH													
111	627,362	16,140	4,529	39,274	261,504	-	2,706	19,087	190,933	432,579	158,869	-	1,752,983
112	-	-	-	-	-	-	-	-	-	-	-	-	-
113	37,651	-	13,248	-	-	-	-	-	-	10,111	-	-	61,010
114	49,881	-	-	-	25,073	-	-	11,553	10,417	15,272	11,810	-	124,006
115	-	-	-	-	-	-	-	-	-	-	-	-	-
100	714,894	16,140	17,777	39,274	286,577	-	2,706	30,640	201,350	457,962	170,679	-	1,937,999
ACCOUNTS AND NOTES RECEIVABLE													
121	-	-	-	-	-	-	-	-	-	-	-	-	-
122	16,778	-	4,307	-	917	-	-	-	-	-	29,595	-	51,597
124	-	-	-	-	-	-	-	-	-	-	-	-	-
125	-	-	-	-	-	-	-	-	-	-	-	-	-
126	3,686	-	-	-	3,840	-	-	5,737	17,160	4,130	290	-	34,843
126.1	(1,530)	-	-	-	(384)	-	-	(574)	(1,716)	(212)	(29)	-	(4,445)
126.2	-	-	-	-	-	-	-	-	-	-	-	-	-
127	10,035	-	-	-	-	-	-	-	-	-	-	(10,035)	-
128	-	-	-	-	-	-	-	-	-	-	-	-	-
128.1	-	-	-	-	-	-	-	-	-	-	-	-	-
129	-	-	-	-	-	-	-	-	-	-	-	-	-
120	28,969	-	4,307	-	4,373	-	-	5,163	15,444	3,918	29,856	(10,035)	81,995
CURRENT INVESTMENTS													
131	262,864	-	-	-	-	-	-	-	-	-	-	-	262,864
132	-	-	-	-	36,664	-	-	-	-	-	550,081	-	586,745
135	-	-	-	-	-	-	-	-	-	-	-	-	-
142	13,078	-	4,952	-	5,241	-	736	2,080	2,876	20,448	4,242	-	53,653
143	-	-	-	-	-	-	-	-	-	8,369	-	-	8,369
143.1	-	-	-	-	-	-	-	-	-	-	-	-	-
144	2,401	-	-	-	-	-	-	-	-	310,982	-	(313,383)	-
145	-	-	-	-	-	-	-	-	-	-	-	-	-
150	1,022,206	16,140	27,036	39,274	332,855	-	3,442	37,883	219,670	801,679	754,858	(323,418)	2,931,625
NONCURRENT ASSETS													
CAPITAL ASSETS													
161	196,283	-	-	-	91,928	-	-	73,227	7,025	14,744	55,300	-	438,507
162	4,331,787	-	-	-	2,207,332	-	-	1,561,859	1,175,517	1,035,541	1,152,439	-	11,464,475
163	184,588	-	-	-	65,085	-	-	2,056	698	2,539	22,006	-	276,972
163	323,858	-	12,849	-	52,648	-	-	2,086	3,109	250,312	56,220	-	701,082
165	8,918,463	-	-	-	423,430	-	-	572,937	406,813	1,051,042	774,842	-	12,147,527
167	-	549,870	-	-	-	-	-	-	-	-	-	-	549,870
168	-	-	-	-	-	-	-	-	-	-	-	-	-
166	(11,671,733)	-	(10,820)	-	(2,522,115)	-	-	(1,324,817)	(529,425)	(733,359)	(1,586,504)	-	(18,378,773)
160	2,283,246	549,870	2,029	-	318,308	-	-	887,348	1,063,737	1,620,819	474,303	-	7,199,660
171	67,405	-	-	-	-	-	-	-	-	-	-	(67,405)	-
172	-	-	-	-	-	-	-	-	-	-	-	-	-
173	-	-	-	-	-	-	-	-	-	-	-	-	-
174	-	-	-	-	-	-	-	-	-	-	-	-	-
176	-	-	-	-	-	-	-	-	-	-	-	-	-
180	2,350,651	549,870	2,029	-	318,308	-	-	887,348	1,063,737	1,620,819	474,303	(67,405)	7,199,660
200	-	-	-	-	-	-	-	-	-	-	-	-	-
290	3,372,857	566,010	29,065	39,274	651,163	-	3,442	925,231	1,283,407	2,422,498	1,229,161	(390,823)	10,131,285
LIABILITIES AND EQUITY													
CURRENT LIABILITIES													
311	-	-	-	-	-	-	-	-	-	-	-	-	-
312	48,585	-	126	-	6,345	-	158	1,515	15,243	23,667	16,193	-	111,832
313	-	-	-	-	-	-	-	-	-	-	-	-	-
321	6,021	-	915	-	3,391	-	1,505	812	1,095	15,046	1,114	-	29,899
322	1,485	-	-	-	-	-	-	-	-	8,169	-	-	9,654
324	-	-	-	-	-	-	-	-	-	-	-	-	-
325	-	-	-	-	-	-	-	-	988	3,681	-	-	4,669
331	-	-	-	-	-	-	-	-	-	-	-	-	-
332	-	-	-	-	-	-	-	-	-	77,440	-	(77,440)	-
333	25,401	-	-	-	18,066	-	-	-	20,230	18,534	10,649	-	92,880
341	49,766	-	-	-	25,073	-	-	11,553	10,417	15,271	11,810	-	123,890

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA [IN041]
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2020

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	HCV CARES ACT FUNDING	N/C S/R SECTION 8	ROSS SERVICE COORDINATORS	RESIDENT OPPORTUNITY SUPPORTIVE FSS	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	COMPONENT UNITS	ELIMINATION	TOTAL
342	14,850	14,872	14,871	14,884	14,182	14,191	14,896	-	-	-	-	-	-
342	29,411	16,140	-	39,274	1,084	-	-	-	2,724	3,312	598	-	92,543
343	-	-	-	-	-	-	-	-	23,401	1,033,791	-	-	1,057,192
344	-	-	-	-	-	-	-	-	-	-	-	-	-
345	-	-	-	-	-	-	-	-	-	-	-	-	-
346	5,105	-	1,275	-	2,735	-	-	975	2,100	5,927	1,807	-	19,924
347	7,352	-	266,470	-	16,345	-	-	5,000	18,058	-	158	(313,383)	-
348	-	-	-	-	-	-	-	-	-	-	-	-	-
310	173,126	16,140	268,786	39,274	73,039	-	1,663	19,855	94,256	1,204,838	42,329	(390,823)	1,542,483
NONCURRENT LIABILITIES													
351	-	-	-	-	-	-	-	-	920,487	245,414	-	-	1,165,901
352	-	-	-	-	-	-	-	-	-	-	-	-	-
353	37,651	-	13,248	-	-	-	-	-	-	-	-	-	50,899
354	13,370	-	1,823	-	4,037	-	1,779	579	664	73,524	1,447	-	97,223
355	-	-	-	-	-	-	-	-	-	-	-	-	-
350	51,021	-	15,071	-	4,037	-	1,779	579	921,151	318,938	1,447	-	1,314,023
300	224,147	16,140	283,857	39,274	77,076	-	3,442	20,434	1,015,407	1,523,776	43,776	(390,823)	2,856,506
400	-	-	-	-	-	-	-	-	-	-	-	-	-
508.4	2,283,246	549,870	2,029	-	318,308	-	-	887,348	119,849	341,614	474,303	-	4,976,567
511.4	-	-	-	-	36,664	-	-	-	-	-	550,081	-	586,745
512.4	865,464	-	(256,821)	-	219,115	-	-	17,449	148,151	557,108	161,001	-	1,711,467
513	3,148,710	549,870	(254,792)	-	574,087	-	-	904,797	268,000	898,722	1,185,385	-	7,274,779
600	3,372,857	566,010	29,065	39,274	651,163	-	3,442	925,231	1,283,407	2,422,498	1,229,161	(390,823)	10,131,285
70300	436,007	-	-	-	293,787	-	-	140,919	455,467	-	166,093	-	1,492,273
70400	86,757	-	-	-	16,303	-	-	9,786	40,369	-	378	-	153,593
70500	522,764	-	-	-	310,090	-	-	150,705	495,836	-	166,471	-	1,645,866
70600	785,043	491,839	1,905,603	-	396,181	47,980	48,158	-	-	-	160,772	-	3,835,576
70610	-	107,874	-	-	-	-	-	-	-	-	-	-	107,874
70710	-	-	-	-	-	-	-	-	-	376,965	-	(376,965)	-
70720	-	-	-	-	-	-	-	-	-	15,060	-	(15,060)	-
70730	-	-	-	-	-	-	-	-	-	79,226	-	(79,226)	-
70740	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	-	-	-	-	-	-	-	-	-	2,830	-	(2,830)	-
70800	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	6,775	-	790	-	2,530	-	-	3	4,223	2,377	8,793	-	25,491
71200	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	36,027	-	1,395	-	-	-	-	-	-	2,670	-	-	40,092
71500	43,117	-	14,044	-	9,553	-	-	2,282	17,965	267,376	3,724	-	358,061
71600	-	-	-	-	-	-	-	-	614,040	-	-	-	614,040
72000	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	1,393,726	599,713	1,921,832	-	718,354	47,980	48,158	152,990	1,132,064	746,504	339,760	(474,081)	6,627,000
EXPENSES													
ADMINISTRATIVE													
91100	86,153	-	43,598	-	23,834	37,752	39,199	9,241	23,346	366,230	14,967	-	644,320
91200	2,909	-	1,136	-	2,441	-	-	1,007	2,198	8,619	1,206	-	19,516
91300	158,879	-	53,890	-	71,717	-	-	8,552	49,756	-	34,171	(376,965)	-
91310	18,915	-	33,682	-	8,610	-	-	2,160	8,452	-	7,407	(79,226)	-
91400	124	-	43	-	74	-	-	11	387	4,418	59	-	5,116
91500	61,882	-	16,074	-	16,688	5,273	8,325	4,069	7,234	104,038	8,177	-	231,760
91600	52,532	2,343	24,673	-	8,178	4,752	-	8,904	16,482	52,998	7,066	(2,830)	175,098
91700	6,489	-	-	-	771	-	-	1,180	3,000	502	1,285	-	13,227
91800	492	-	-	-	404	-	-	30	1,003	173	259	-	2,361
91810	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	3,827	-	688	-	1,501	-	-	450	1,301	1,113	117	-	8,997
92000	12,000	-	-	-	-	-	-	-	-	-	3,060	(15,060)	-
TENANT SERVICES													
92100	-	-	-	-	-	-	-	-	-	-	-	-	-
92200	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	1,936	-	-	-	952	-	-	46	-	4,016	670	-	7,620
UTILITIES													
93100	44,078	-	-	-	20,638	-	-	2,052	39,126	11,692	10,388	-	127,974
93200	159,953	-	-	-	95,440	-	-	1,968	7,629	44,026	47,991	-	357,007
93300	-	-	-	-	-	-	-	881	-	10,087	-	-	10,968

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA [IN041]
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2020

	LOW RENT	CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHERS	HCV CARES ACT FUNDING	N/C S/R SECTION 8 PROGRAMS	ROSS SERVICE COORDINATORS	RESIDENT OPPORTUNITY SUPPORTIVE FSS	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	COMPONENT UNITS	ELIMINATION	TOTAL
93400 FUEL	14,850	14,872	14,871	14,872	14,182	14,191	14,896	-	-	-	-	-	-
93500 LABOR	-	-	-	-	-	-	-	-	-	-	-	-	-
93600 SEWER	-	-	-	-	-	-	-	-	-	-	-	-	-
93700 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-
93800 OTHER UTILITIES EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
ORDINARY MAINTENANCE & OPERATIONS													
94100 ORDINARY MAINTENANCE & OPERATIONS - LABOR	115,151	-	322	-	36,226	-	-	11,304	27,861	10,542	17,355	-	218,761
94200 ORDINARY MAINTENANCE & OPERATIONS - MATERIALS	126,164	-	905	-	52,934	158	-	19,379	86,635	21,054	29,090	-	336,319
94300 ORDINARY MAINTENANCE & OPERATIONS - CONTRACTS	263,926	-	304	-	111,232	-	-	22,563	84,722	81,761	43,253	-	607,761
94500 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-
PROTECTIVE SERVICES													
95100 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-	-	-	-	-	-	-
95200 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	12,158	-	-	-	1,852	-	-	373	1,342	-	2,799	-	18,524
95300 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
95500 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-
GENERAL EXPENSES													
96100 INSURANCE PREMIUMS	83,981	-	8,559	-	23,257	45	634	12,821	31,924	41,259	17,266	-	219,746
96200 OTHER GENERAL EXPENSES	321	-	4,032	-	338	-	-	94	28,270	802	115	-	33,972
96210 COMPENSATED ABSENCES	-	-	939	-	548	-	-	-	-	8,047	170	-	9,704
96300 PAYMENTS IN LIEU OF TAXES	25,165	-	-	-	25,626	-	-	-	-	18,128	15,784	-	84,703
96400 BAD DEBT - TENANT RENTS	405	-	-	-	1,211	-	-	2,317	10,035	3,797	886	-	18,651
96500 BAD DEBT - MORTGAGES	-	-	-	-	-	-	-	-	7,547	-	-	-	7,547
96600 BAD DEBT - OTHER	91,366	-	-	-	8,687	-	-	11,520	-	92	459	-	112,124
96700 INTEREST EXPENSE	-	-	-	-	-	-	-	251	88,845	108,255	-	-	197,351
96900 TOTAL OPERATING EXPENSES	1,328,806	2,343	188,845	-	513,159	47,980	48,158	121,173	527,095	901,649	264,000	(474,081)	3,469,127
97000 EXCESS OPERATING REVENUE OVER OP EXP	64,920	597,370	1,732,987	-	205,195	-	-	31,817	604,969	(155,145)	75,760	-	3,157,873
97100 EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
97200 CASUALTY LOSSES - NON-CAPITALIZED	-	-	-	-	-	-	-	-	-	-	-	-	-
97300 HOUSING ASSISTANCE PAYMENTS	-	-	1,787,035	-	-	-	-	-	-	-	-	-	1,787,035
97350 HAP PORTABILITY-IN	-	-	10,840	-	-	-	-	-	-	-	-	-	10,840
97400 DEPRECIATION EXPENSE	321,254	-	657	-	63,139	-	-	43,725	117,470	98,150	78,323	-	722,718
97500 FRAUD LOSSES	-	-	-	-	-	-	-	-	-	-	-	-	-
97600 CAPITAL OUTLAYS - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-
97700 DEBT PRINCIPAL PAYMENT - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-
97800 DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	1,650,060	2,343	1,987,377	-	576,298	47,980	48,158	164,898	644,565	999,799	342,323	(474,081)	5,989,720
10010 OPERATING TRANSFER IN	489,496	-	-	-	-	-	-	-	-	654,700	-	(1,144,196)	-
10020 OPERATING TRANSFER OUT	-	(489,496)	-	-	-	-	-	-	(654,700)	-	-	1,144,196	-
10030 OPERATING TRANSFERS FROM/TO PRIMARY GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
10091 INTER PROJECT EXCESS CASH TRANSFER IN	-	-	-	-	-	-	-	-	-	-	-	-	-
10092 INTER PROJECT EXCESS CASH TRANSFER OUT	-	-	-	-	-	-	-	-	-	-	-	-	-
10100 TOTAL OTHER FINANCING SOURCES (USES)	489,496	(489,496)	-	-	-	-	-	-	(654,700)	654,700	-	-	-
10000 EXCESS REVENUE OVER EXPENSES	233,162	107,874	(65,545)	-	142,056	-	-	(11,908)	(167,201)	401,405	(2,563)	-	637,280
11020 REQUIRED ANNUAL DEBT PRINCIPAL PAYMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
11030 BEGINNING EQUITY	2,915,548	441,996	(189,247)	-	432,031	-	-	916,705	435,201	497,317	1,187,948	-	6,637,499
11040 EQUITY TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-
11040 EQUITY TRANSFERS	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING EQUITY	3,148,710	549,870	(254,792)	-	574,087	-	-	904,797	268,000	898,722	1,185,385	-	7,274,779
11170 ADMINISTRATIVE FEE EQUITY	-	-	(254,792)	-	-	-	-	-	-	-	-	-	(254,792)
11180 HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	-	-	-	-	-	-	-	-	-	-	-
11190 UNIT MONTHS AVAILABLE	2,628	-	5,052	-	1,176	-	-	300	1,176	-	612	-	10,944
11120 # UNIT MONTHS LEASED	2,513	-	4,491	-	1,148	-	-	270	1,142	-	505	-	10,069
11620 BUILDING PURCHASES	-	-	-	-	-	-	-	-	-	-	-	-	-
11630 FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	107,874	-	-	-	-	-	-	-	-	-	-	107,874
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, 2020

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:

Name of Federal Program CFDA No.

Low Rent Public Housing 14.850
Public Housing Capital Fund Program 14.872

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, 2020

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