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April 21, 2022

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, 2020 to June 30, 2021. 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, 2021 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, 2021

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, 2021, 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, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

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.

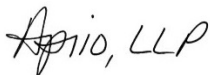
**Other Information**

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 17, 2022 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 17, 2022

**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, 2021, 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 17, 2022.

***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 17, 2022

## 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, 2021. 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, 2021.

### ***Other Matters***

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

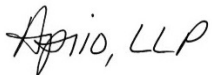
### **Report on Internal Control Over Compliance**

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 17, 2022

**THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED JUNE 30, 2021**

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 \$240,342 in 2021. Net Position was \$7,274,779 and \$7,515,121 for 2020 and 2021 respectively.
  
- Revenues decreased \$547,126 during 2021 and were \$6,627,000 and \$6,079,874 for 2020 and 2021 respectively.
  
- Total expenses decreased \$150,188 during 2021 and were \$5,989,720 and \$5,839,532 for 2020 and 2021 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 a affordable housing apartment building. 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>2021</u>	<u>2020</u>	<u>Variance</u>
Assets:			
Current & Restricted Assets	\$ 3,594,053	\$ 2,931,625	\$ 662,428
Capital Assets	<u>6,476,937</u>	<u>7,199,660</u>	<u>(722,723)</u>
<b>Total Assets</b>	<b><u>\$ 10,070,990</u></b>	<b><u>\$ 10,131,285</u></b>	<b><u>\$ (60,295)</u></b>
Liabilities:			
Current Liabilities	\$ 1,522,007	\$ 1,542,483	\$ (20,476)
Non Current Liabilities	<u>1,033,862</u>	<u>1,314,023</u>	<u>(280,161)</u>
<b>Total Liabilities</b>	<b><u>\$ 2,555,869</u></b>	<b><u>\$ 2,856,506</u></b>	<b><u>\$ (300,637)</u></b>
Net Position:			
Net Investment in Capital Assets	\$ 4,598,029	\$ 4,976,567	\$ (378,538)
Restricted Net Position	635,232	586,745	48,487
Unrestricted Net Position	<u>2,281,860</u>	<u>1,711,467</u>	<u>570,393</u>
<b>Total Net Position</b>	<b><u>\$ 7,515,121</u></b>	<b><u>\$ 7,274,779</u></b>	<b><u>\$ 240,342</u></b>

### Major Factors Affecting the Statement of Net Position

During 2021, current and restricted assets increased by \$662,428. The increase was primarily due to an increase cash and cash equivalents, as illustrated by the statement of cash flows. Capital assets decreased due to depreciation expense and the sale of Maidenberg Properties. Liabilities decreased primarily due to debt payments on the line of credit and the payoff of the Maidenberg mortgage offset by increases in PILOT and deferred revenue.

**Table 2 presents details on the change in Unrestricted Net Position**

**TABLE 2**

**CHANGE OF UNRESTRICTED NET POSITION**

Unrestricted Net Position, June 30, 2020	\$ 1,711,467
Results of Operations	100,411
Capital Expenditures from Operations	(51,339)
Investment Income	7,227
Proceeds from sale of Capital Assets	375,000
Transfer from (to) Restricted Net Position	(48,487)
Principal and Interest on Capital Debt	(455,689)
Depreciation Expense	<u>643,270</u>
Unrestricted Net Position, June 30, 2021	<u><u>\$ 2,281,860</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>2021</u>	<u>2020</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 1,403,464	\$ 1,645,866	\$ (242,402)
Operating Grants	4,074,194	3,835,576	238,618
Capital Grants	118,872	107,874	10,998
Investment Income	7,227	25,491	(18,264)
Gain on Sale of Capital Assets	125,336	614,040	(488,704)
Other Revenue	350,781	398,153	(47,372)
	<u>\$ 6,079,874</u>	<u>\$ 6,627,000</u>	<u>\$ (547,126)</u>
Expenses:			
Administrative Expenses	\$ 1,119,510	\$ 1,100,395	\$ 19,115
Tenant Services	15,456	7,620	7,836
Utilities	458,799	495,949	(37,150)
Maintenance & Operations	1,124,000	1,162,841	(38,841)
Protective Services	18,962	18,524	438
General Expense	416,336	486,447	(70,111)
Housing Assistance Payments	1,931,695	1,797,875	133,820
Interest Expense	111,504	197,351	(85,847)
Depreciation	643,270	722,718	(79,448)
	<u>\$ 5,839,532</u>	<u>\$ 5,989,720</u>	<u>\$ (150,188)</u>
<b>Excess (Deficiency) Revenues Over Expenses</b>	<u><u>\$ 240,342</u></u>	<u><u>\$ 637,280</u></u>	<u><u>\$ (396,938)</u></u>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES**

The excess of revenues over expenses decreased due to a decrease in revenues exceeding a decrease in expenses.

Revenues decreased mainly due to a decrease in gain on sale of capital assets and tenant revenue. The gain on the sale of capital assets in the prior year resulted from the sale of Beckford Place. The Authority sold Maidenberg Properties for a gain of \$125,336 in the current year. Tenant revenues decreased due to a decrease in tenants' income.

Expenses decreased in most categories. Maintenance expenses decreased due a decrease in labor, materials, and contract costs, as a result of decreased activity due to the pandemic. General expenses decreased due to a decrease in bad debt expense. Interest expense decreased due to the pay off of loans in the prior and current year. Depreciation expense decreased due to the sale of properties in the prior and current year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year-end, the Authority had \$6,476,937 invested in a variety of capital assets as reflected in the following schedule, which represents a 10% decrease from last year. Further detail is included in Note Q in the Notes to Financial Statements.

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

	2021	2020	Variance	% Change
Land	\$ 438,507	\$ 438,507	\$ -	0%
Buildings and Improvements	23,595,521	23,612,002	(16,481)	0%
Furniture and Equipment	1,001,206	978,054	23,152	2%
Construction in Progress	446,840	549,870	(103,030)	-19%
Accumulated Depreciation	<u>(19,005,137)</u>	<u>(18,378,773)</u>	<u>(626,364)</u>	<u>3%</u>
Net Capital Assets	<u>\$ 6,476,937</u>	<u>\$ 7,199,660</u>	<u>\$ (722,723)</u>	<u>-10%</u>

**TABLE 5  
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, July 1, 2020	\$ 7,199,660
Additions	
Improvements - Capital Fund	118,872
Improvements - Operating	51,339
Deletions (Net)	(249,664)
Depreciation Expense	<u>(643,270)</u>
Ending Balance, June 30, 2021	<u>\$ 6,476,937</u>

## DEBT ADMINISTRATION

As of year-end, the Authority had \$1,878,908 in long term debt outstanding, compared to a \$2,223,093 balance in 2020. The decrease is due the payment in full of the Maidenberg loan and payments on the Line of Credit.

**TABLE 6**

### OUTSTANDING LONG-TERM DEBT, AT YEAR-END

	<u>2021</u>	<u>2020</u>
Capital Improvements	<u>1,878,908</u>	<u>2,223,093</u>
Total	<u>\$ 1,878,908</u>	<u>\$ 2,223,093</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, 2021. 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, 2021

**ASSETS AND DEFERRED  
 OUTFLOWS OF RESOURCES**

	<b>Enterprise Fund</b>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 2,463,405
Accounts Receivable - HUD	37,719
Tenants Accounts Receivable	6,634
Allowance for Doubtful Accounts	-
Investments	264,976
Prepaid Costs	21,936
Inventory	21,762
Total Current Assets	<u>2,816,432</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	187,284
Investments	590,337
Total Restricted Assets	<u>777,621</u>
<u>Capital Assets</u>	
Land	438,507
Buildings and Improvements	23,595,521
Furniture and Equipment	1,001,206
Construction in Progress	446,840
	<u>25,482,074</u>
(Less): Accumulated Depreciation	<u>(19,005,137)</u>
Net Capital Assets	<u>6,476,937</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 10,070,990</u></u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2021

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

	<b>Enterprise Fund</b>
<u>Current Liabilities</u>	
Accounts Payable	\$ 118,973
Accrued Wages and Payroll Taxes	35,879
Accrued Interest Payable	3,134
A/P - Other Government	147,249
Tenant Security Deposits	114,834
Unearned Revenues	126,725
Current Portion of Notes Payable	975,213
Total Current Liabilities	<u>1,522,007</u>
 <u>Long Term Liabilities</u>	
Notes Payable - Long-Term	903,695
FSS Escrows	25,819
Accrued Compensated Absences	104,348
Total Long Term Liabilities	<u>1,033,862</u>
Total Liabilities	<u>2,555,869</u>
 <u>Deferred Inflows of Resources</u>	 <u>-</u>
 <u>Net Position</u>	
Net Investment in Capital Assets	4,598,029
Restricted Net Position	635,232
Unrestricted Net Position	2,281,860
Total Net Position	<u>7,515,121</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u>\$ 10,070,990</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, 2021**

	<b>Enterprise Fund</b>
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,403,464
Operating Grants	4,074,194
Other Revenue	350,781
Total Operating Revenues	<u>5,828,439</u>
<u>Operating Expenses</u>	
Administrative	1,119,510
Tenant Services	15,456
Utilities	458,799
Maintenance and Operations	1,124,000
Protective Services	18,962
General Expense	416,336
Housing Assistance Payments	1,931,695
Depreciation	643,270
Total Operating Expenses	<u>5,728,028</u>
Operating Income (Loss)	<u>100,411</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	7,227
Interest Expense	(111,504)
Gain/(Loss) on Disposal of Asset	125,336
Total Non-Operating Revenues (Expenses)	<u>21,059</u>
Increase (Decrease) in Net Position before Capital Contributions	<u>121,470</u>
Capital Contributions	<u>118,872</u>
Increase (Decrease) in Net Position	240,342
Net Position, Beginning	7,274,779
Net Position, Ending	<u>\$ 7,515,121</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, 2021**

	<b>Enterprise Fund</b>
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,407,649
Cash Received from Operating Grants	4,121,083
Cash Received from Other Sources	276,894
Cash Payments for Salaries & Benefits	(1,039,183)
Cash Payments to Vendors & Landlords	(3,922,139)
Net Cash flows provided (used) by Operating activities	<u>844,304</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	119,298
Capital Outlay	(170,211)
Proceeds from Sale of Capital Assets	375,000
Principal and Interest Payments on Capital Debt	(457,224)
Net cash flows provided (used) by capital and related financing activities	<u>(133,137)</u>
<u>Cash flows from investing activities:</u>	
Cash Transfer from (to) Investments	(5,704)
Cash received from earnings on investments	7,227
Net cash flows provided (used) by investing activities	<u>1,523</u>
Net Increase (decrease) in cash, cash equivalents and restricted cash	712,690
Cash, cash equivalents and restricted cash beginning of the year:	<u>1,937,999</u>
Cash, cash equivalents and restricted cash end of the year:	<u>\$ 2,650,689</u>
<b><u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u></b>	
Operating Income (Loss)	\$ 100,411
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	643,270
Bad Debt Expense	94,211
Change in Accounts Receivable	(73,135)
Change in Prepaid Costs	31,717
Change in Inventory	(13,393)
Change in Accounts Payable	(12,783)
Change in Accrued Expenses	57,820
Change in Tenant Security Deposits	(9,056)
Change in FSS Escrow	(25,080)
Change in Unearned Revenues	50,322
Net cash provided by (used in) operating activities	<u>\$ 844,304</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF MARION  
MARION, INDIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

#### Restricted Cash

It is the Authority's policy to first apply restricted funds when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### 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, 2021, and as of March 17, 2022. 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 of Marion LLC 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 \$2,650,489. Investments consist of certificates of deposit totaling \$855,313. 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	\$ 986,208	\$ 986,208
Collateralized with specific securities in the Authority name which are held by the financial institution	2,519,594	2,608,716
Uncollateralized	-	-
	<u>\$ 3,505,802</u>	<u>\$ 3,594,924</u>

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

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had outstanding contractual commitments as of the end of the fiscal year as follows:

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

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.

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.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### 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.

### 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	\$	283,114
Public Housing		(425)
Section 8 Housing Choice Vouchers		(256,762)
Section 8 New Construction		(16,872)
Business Activities		(1,271)
ROSS		(4,866)
State/Local		(2,918)
	\$	<u><u>-</u></u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

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, 2021, the balance on the agreement was \$67,405, 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, 2021, \$119,276 remains outstanding. The Authority also has outstanding property taxes due on Parkville Apartments, MHA Mall and various other properties in the amount of \$27,973.

NOTE N – NOTES PAYABLE

Long-term debt at June 30, 2021, 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	\$ 926,209
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. The loan was paid in full with the proceeds from the sale of the property in January 2021.	-
Line of Credit payable to local financial institution, interest only payments due monthly at a rate of 4.00% with a maximum credit limit of \$1,683,261 and maturing on January 28, 2022. The loan was renewed on February 9, 2022 with a maturity date of April 28, 2022 and is collateralized by certain real property located in Marion, Indiana	952,699
	<u>1,878,908</u>
Less: Current Portion	<u>(975,213)</u>
Notes Payable, Non-Current	<u>\$ 903,695</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>
2022	975,213	89,127	903,695
2023	23,740	47,346	879,955
2024	26,268	46,110	853,687
2025	27,825	44,553	825,862
2026	29,340	43,038	796,522
2027 - 2031	172,343	189,546	624,179
2032 - 2036	224,609	137,280	399,570
2037 - 2041	292,918	68,971	106,652
2042 - 2043	106,652	4,440	-
Total Payments	<u>\$ 1,878,908</u>	<u>\$ 670,410</u>	

Interest expense for the year ended June 30, 2021 was \$111,504.

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	2,223,093	-	344,185	1,878,908	975,213
Accrued Compensated Absences	106,877	3,157	5,686	104,348	-
FSS Escrows	50,899	-	25,080	25,819	-
Total Debt	<u>\$ 2,380,869</u>	<u>\$ 3,157</u>	<u>\$ 374,951</u>	<u>\$ 2,009,075</u>	<u>\$ 975,213</u>

NOTE P – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The Authority's restricted assets consist of the following as of June 30, 2021:

FSS Escrows	\$ 25,819
HAP	44,895
CFP and CARES Act Funding	83,925
Replacement Reserves	590,337
Insurance Proceeds	20,678
Local Grant Funding	11,967
Total Restricted Cash and Investments	<u>\$ 777,621</u>

NOTES TO FINANCIAL STATEMENTS – 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, 2021:

HAP	\$ 44,895
Replacement Reserves	590,337
Total Restricted Net Position	<u>\$ 635,232</u>

NOTE Q – CAPITAL ASSETS

A summary of Capital Assets for the Authority at June 30, 2021 is as follows:

	Public Housing & CFP	Housing Choice Vouchers	New Construction	State/Local
Land	\$ 196,283	\$ -	\$ 91,928	\$ 73,227
Building and Improvements	13,374,597	-	2,630,762	2,134,796
Furniture and Equipment	520,100	12,849	117,733	4,142
Construction in Progress	446,840	-	-	-
Less Accumulated Depreciation	<u>(11,980,197)</u>	<u>(11,350)</u>	<u>(2,559,090)</u>	<u>(1,368,494)</u>
Total Capital Assets	<u>\$ 2,557,623</u>	<u>\$ 1,499</u>	<u>\$ 281,333</u>	<u>\$ 843,671</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	2,047,463	1,825,573	23,595,521
Furniture and Equipment	3,807	78,860	263,715	1,001,206
Construction in Progress	-	-	-	446,840
Less Accumulated Depreciation	<u>(597,798)</u>	<u>(1,681,198)</u>	<u>(807,010)</u>	<u>(19,005,137)</u>
Total Capital Assets	<u>\$ 995,364</u>	<u>\$ 500,425</u>	<u>\$ 1,297,022</u>	<u>\$ 6,476,937</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	\$ 438,507	\$ -	\$ -	\$ 438,507
Construction in Progress	<u>549,870</u>	<u>118,872</u>	<u>(221,902)</u>	<u>446,840</u>
Total Assets not being Depreciated	988,377	118,872	(221,902)	885,347
Buildings and Improvements	23,612,164	40,273	(56,916)	23,595,521
Furniture and Equipment	<u>977,892</u>	<u>11,066</u>	<u>12,248</u>	<u>1,001,206</u>
Total Capital Assets	25,578,433	170,211	(266,570)	25,482,074
Less Accumulated Depreciation:				
Building and Improvements	(17,586,014)	(643,270)	16,866	(18,212,418)
Furniture and Equipment	<u>(792,759)</u>	<u>-</u>	<u>40</u>	<u>(792,719)</u>
Net Book Value	<u>\$ 7,199,660</u>	<u>\$ (473,059)</u>	<u>\$ (249,664)</u>	<u>\$ 6,476,937</u>

In January 2021, the Central Office Cost Center of the Authority sold the Maidenberg Properties to an unrelated party. The Authority reported a gain of \$125,336 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 17, 2022 the date the financial statements were available to be issued.

On July 14, 2021 the Authority sold Boston Hill Center for \$220,244. Proceeds from the sale were \$200,000 after closing cost and loan payoff.

On November 5, 2021 the Authority sold 141 E. 3<sup>rd</sup> Street for \$115,000. Proceeds from the sale were \$106,712 after closing costs.

Except for the above noted subsequent event, management is not aware of any significant event that occurred subsequent to the balance sheet date, but prior to the filing of this report, that would have a material impact on 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, 2021

	Riverside Apartments	Building for Change, LLC	Total
<u>Assets and Deferred Outflows</u>			
Current, restricted and other assets	\$ 757,618	\$ 3,104	\$ 760,722
Capital assets (net of depreciation)	500,425	-	500,425
Total Assets	<u>\$ 1,258,043</u>	<u>\$ 3,104</u>	<u>\$ 1,261,147</u>
<u>Liabilities and Deferred Inflows</u>			
Current liabilities	\$ 48,844	\$ -	\$ 48,844
Noncurrent liabilities	2,359	-	2,359
Total Liabilities	<u>\$ 51,203</u>	<u>\$ -</u>	<u>\$ 51,203</u>
<u>Net Position</u>			
Invested in capital assets	\$ 500,425	\$ -	\$ 500,425
Restricted net assets	553,407	-	553,407
Unrestricted net position	153,008	3,104	156,112
Total net position	<u>\$ 1,206,840</u>	<u>\$ 3,104</u>	<u>\$ 1,209,944</u>

Condensed Blended Component Unit - Statement of Revenues, Expenses and Changes in Net Position for the Year ended June 30, 2021

	Riverside Apartments	Building for Change, LLC	Total
<u>Revenue</u>			
Tenant rental and operating grants	\$ 333,913	\$ -	\$ 333,913
Other Revenue	4,522	-	4,522
Total Revenue	<u>338,435</u>	<u>-</u>	<u>338,435</u>
<u>Operating Expenses</u>			
Administrative	89,357	43	89,400
Tenant Services	409		409
Utilities	57,754		57,754
Maintenance and Operations	119,139		119,139
Protective Services	2,845		2,845
General	37,115	1,748	38,863
Depreciation	94,695	-	94,695
Total Operating Expenses	<u>401,314</u>	<u>1,791</u>	<u>403,105</u>
Net Operating Income (Loss)	(62,879)	(1,791)	(64,670)
<u>Non -Operating Revenues and Expenses</u>			
Investment Income	3,328	-	3,328
Total Non-Operating Revenues and Expenses	<u>3,328</u>	<u>-</u>	<u>3,328</u>
Transfer from Public Housing	85,901	-	85,901
Increase (decrease) in Net Position	26,350	(1,791)	24,559
Beginning net position	1,180,490	4,895	1,185,385
Ending net position	<u>\$ 1,206,840</u>	<u>\$ 3,104</u>	<u>\$ 1,209,944</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, 2021

	Riverside Apartments	Building for Change, LLC	Total
Cashflows:			
from (used by) operating activities	\$ 37,329	\$ (1,824)	\$ 35,505
from (used by) investing activities	2	-	2
from (used by) capital activity	(34,915)	-	(34,915)
Net increase in cash and cash equivalents	2,416	(1,824)	592
Beginning current & restricted cash	166,763	3,916	170,679
Ending current & restricted cash	<u>\$ 169,179</u>	<u>\$ 2,092</u>	<u>\$ 171,271</u>
Reconciliation of operating income (loss) to net provided (used) by operating activities:			
Operating income (loss)	\$ (62,879)	\$ (1,791)	\$ (64,670)
Depreciation	94,695	-	94,695
Change in prepaid expenses and deferred revenue	2,392	(33)	2,359
Change in operating receivables and payables	3,121	-	3,121
Net cash provided (used) by operating activities	<u>\$ 37,329</u>	<u>\$ (1,824)</u>	<u>\$ 35,505</u>

THE HOUSING AUTHORITY OF THE CITY OF MARION  
MARION, INDIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021

EXPENDITURES

Low Rent Public Housing	
Total Assistance Listing Number 14.850	\$ 688,192
Public Housing Capital Fund Program	
Total Assistance Listed Number 14.872	641,894
Section 8 Housing Choice Vouchers	2,194,536
Housing Choice Vouchers CARES Act Funding	5,032
Total Assistance Listed Number 14.871	2,199,568
Section 8 Project Based Cluster	
Section 8 New Construction	
Total Assistance Listed Number 14.182	407,942
Section 8 Housing Assistance Payments Program	
Total Assistance Listed Number 14.195	155,561
Total Section 8 Project Based Cluster	563,503
Resident Opportunity Supportive Services - Service Coordinators	
Total Assistance Listed Number 14.191	30,446
Resident Opportunity Supportive Services	
Total Assistance Listed Number 14.896	69,463
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT EXPENDITURES	3,504,874
TOTAL FEDERAL EXPENDITURES	\$ 4,193,066

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  
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Public Housing Capital Fund Program IN36P04150119</b>	<b>Public Housing Capital Fund Program IN36P04150120</b>
Funds Approved	\$ 489,496	\$ 523,022
Funds Expended	489,496	523,022
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 489,496	\$ 523,022
Funds Expended	489,496	523,022
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, INDIANA [IN041]  
 FINANCIAL DATA SCHEDULE  
 JUNE 30, 2021

	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							
<b>ASSETS</b>														
<b>CURRENT ASSETS</b>														
<b>CASH</b>														
111	CASH UNRESTRICTED	1,066,769	-	340	-	458,381	-	2,706	30,029	185,252	449,305	155,789	-	2,348,571
112	CASH - RESTRICTED - MODERNIZATION & DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
113	CASH - OTHER RESTRICTED	40,994	-	50,398	83,925	-	-	-	-	-	8,509	3,458	-	187,284
114	CASH - TENANT SECURITY DEPOSITS	48,980	-	-	-	24,310	-	-	9,153	10,151	10,216	12,024	-	114,834
115	CASH - RESTRICTED FOR PYMT OF CURRENT LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-
100	<b>TOTAL CASH</b>	<b>1,156,743</b>	<b>-</b>	<b>50,738</b>	<b>83,925</b>	<b>482,691</b>	<b>-</b>	<b>2,706</b>	<b>39,182</b>	<b>195,403</b>	<b>468,030</b>	<b>171,271</b>	<b>-</b>	<b>2,650,689</b>
<b>ACCOUNTS AND NOTES RECEIVABLE</b>														
121	A/R - PHA PROJECTS	-	-	-	-	-	-	-	-	-	-	-	-	-
122	A/R - HUD OTHER PROJECTS	-	-	-	-	-	3,198	-	-	-	-	29,595	-	32,793
124	A/R - OTHER GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
125	A/R - MISCELLANEOUS	-	-	4,459	-	-	-	-	-	-	467	-	-	4,926
126	A/R - TENANTS	1,278	-	-	-	1,822	-	-	1,768	-	1,181	585	-	6,634
126.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS	-	-	-	-	-	-	-	-	-	-	-	-	-
126.2	ALLOWANCE FOR DOUBTFUL ACCOUNTS - OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
127	NOTES & MORTGAGES RECEIVABLE - CURRENT	10,035	-	-	-	-	-	-	-	-	-	-	(10,035)	-
128	FRAUD RECOVERY	-	-	-	-	-	-	-	-	-	-	-	-	-
128.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - FRAUD	-	-	-	-	-	-	-	-	-	-	-	-	-
129	ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-	-	-	-	-
120	<b>TOTAL RECEIVABLES NET OF ALLOW</b>	<b>11,313</b>	<b>-</b>	<b>4,459</b>	<b>-</b>	<b>1,822</b>	<b>3,198</b>	<b>-</b>	<b>1,768</b>	<b>-</b>	<b>1,648</b>	<b>30,180</b>	<b>(10,035)</b>	<b>44,353</b>
<b>CURRENT INVESTMENTS</b>														
131	INVESTMENTS - UNRESTRICTED	264,976	-	-	-	-	-	-	-	-	-	-	-	264,976
132	INVESTMENTS - RESTRICTED	-	-	-	-	36,930	-	-	-	-	-	553,407	-	590,337
135	INVESTMENTS - RESTRICTED FOR PYMT OF CURRENT LIABILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
142	PREPAID EXPENSES AND OTHER ASSETS	5,164	-	2,708	-	1,816	-	741	809	1,121	7,129	2,448	-	21,936
143	INVENTORIES	-	-	-	-	5,807	-	-	-	-	12,539	3,416	-	21,762
143.1	ALLOWANCE FOR OBSOLETE INVENTORY	-	-	-	-	-	-	-	-	-	-	-	-	-
144	INTER PROGRAM DUE FROM	-	-	-	-	-	-	-	-	-	283,114	-	(283,114)	-
145	ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-	-	-	-	-
150	<b>TOTAL CURRENT ASSETS</b>	<b>1,438,196</b>	<b>-</b>	<b>57,905</b>	<b>83,925</b>	<b>529,066</b>	<b>3,198</b>	<b>3,447</b>	<b>41,759</b>	<b>196,524</b>	<b>772,460</b>	<b>760,722</b>	<b>(293,149)</b>	<b>3,594,053</b>
<b>NONCURRENT ASSETS</b>														
<b>CAPITAL ASSETS</b>														
161	LAND	196,283	-	-	-	91,928	-	-	73,227	7,025	14,744	55,300	-	438,507
162	BUILDINGS	4,331,787	-	-	-	2,207,332	-	-	1,561,859	1,175,517	800,568	1,152,439	-	11,229,502
163	FURNITURE & EQUIPMENT - DWELLINGS	193,706	-	-	-	65,085	-	-	2,056	698	2,539	22,640	-	286,724
163	FURNITURE & EQUIPMENT - ADMINISTRATION	326,394	-	12,849	-	52,648	-	2,086	3,109	261,176	56,220	-	-	714,482
165	LEASEHOLD IMPROVEMENTS	9,042,810	-	-	-	423,430	-	-	572,937	406,813	1,025,005	895,024	-	12,366,019
167	CONSTRUCTION IN PROGRESS	-	446,840	-	-	-	-	-	-	-	-	-	-	446,840
168	INFRASTRUCTURE	-	-	-	-	-	-	-	-	-	-	-	-	-
166	ACCUMULATED DEPRECIATION	(11,980,197)	-	(11,350)	-	(2,559,090)	-	-	(1,368,494)	(597,798)	(807,010)	(1,681,198)	-	(19,005,137)
160	<b>TOTAL CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION</b>	<b>2,110,783</b>	<b>446,840</b>	<b>1,499</b>	<b>-</b>	<b>281,333</b>	<b>-</b>	<b>-</b>	<b>843,671</b>	<b>995,364</b>	<b>1,297,022</b>	<b>500,425</b>	<b>-</b>	<b>6,476,937</b>
171	NOTES & MORTGAGES RECEIVABLE - NON-CURRENT	57,370	-	-	-	-	-	-	-	-	-	-	(57,370)	-
172	NOTES & MORTGAGES RECEIVABLE - NON-CURRENT - PAST-DUE	-	-	-	-	-	-	-	-	-	-	-	-	-
173	GRANTS RECEIVABLE - NON-CURRENT	-	-	-	-	-	-	-	-	-	-	-	-	-
174	OTHER ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-
176	INVESTMENTS IN JOINT VENTURES	-	-	-	-	-	-	-	-	-	-	-	-	-
180	<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,168,153</b>	<b>446,840</b>	<b>1,499</b>	<b>-</b>	<b>281,333</b>	<b>-</b>	<b>-</b>	<b>843,671</b>	<b>995,364</b>	<b>1,297,022</b>	<b>500,425</b>	<b>(57,370)</b>	<b>6,476,937</b>
200	DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-	-
290	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,606,349</b>	<b>446,840</b>	<b>59,404</b>	<b>83,925</b>	<b>810,399</b>	<b>3,198</b>	<b>3,447</b>	<b>885,430</b>	<b>1,191,888</b>	<b>2,069,482</b>	<b>1,261,147</b>	<b>(350,519)</b>	<b>10,070,990</b>
<b>LIABILITIES AND EQUITY</b>														
<b>CURRENT LIABILITIES</b>														
311	BANK OVERDRAFT	-	-	-	-	-	-	-	-	-	-	-	-	-
312	A/P < 90 DAYS	64,157	-	-	-	4,325	-	-	2,667	13,722	8,445	4,776	-	98,092
313	A/P > 90 DAYS PAST DUE	-	-	-	-	-	-	-	-	-	-	-	-	-
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	7,622	-	2,634	-	3,946	-	-	586	1,025	17,233	2,833	-	35,879
322	ACCRUED COMPENSATED ABSENCES - CURRENT PORTION	-	-	-	-	-	-	-	-	-	-	-	-	-
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
325	ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-	-	2,287	847	-	-	3,134
331	A/P - HUD PHA PROGRAMS	951	-	-	-	-	-	-	-	-	-	-	-	951
332	A/P - PHA PROJECTS	-	-	-	-	-	-	-	-	-	10,035	-	(10,035)	-
333	A/P - OTHER GOVERNMENT	57,692	-	-	-	38,886	-	-	-	20,230	7,743	22,698	-	147,249
341	TENANT SECURITY DEPOSITS	48,980	-	-	-	24,310	-	-	9,153	10,151	10,216	12,024	-	114,834



THE HOUSING AUTHORITY OF THE CITY OF MARION, INDIANA [IN041]  
 FINANCIAL DATA SCHEDULE  
 JUNE 30, 2021

	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	100,637	-	-	-	31,987	-	-	16,066	12,934	9,967	21,072	-	192,663
94200 ORDINARY MAINTENANCE & OPERATIONS - MATERIALS	199,062	-	875	-	59,723	-	-	16,002	31,992	19,219	38,266	-	365,139
94300 ORDINARY MAINTENANCE & OPERATIONS - CONTRACTS	270,479	-	1,020	-	88,459	-	-	45,699	36,306	64,434	59,801	-	566,198
94500 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-
PROTECTIVE SERVICES													
95100 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-	-	-	-	-	-	-
95200 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	13,841	-	-	-	1,897	-	-	379	-	-	2,845	-	18,962
95300 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
95500 EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-
GENERAL EXPENSES													
96100 INSURANCE PREMIUMS	97,005	-	11,441	-	19,817	-	599	16,282	20,421	34,291	14,600	-	214,456
96200 OTHER GENERAL EXPENSES	991	-	5,005	-	430	-	-	93	20,294	380	1,021	-	28,214
96210 COMPENSATED ABSENCES	-	-	-	-	2,245	-	-	-	-	-	912	-	3,157
96300 PAYMENTS IN LIEU OF TAXES	32,015	-	-	-	20,820	-	-	-	-	11,414	12,049	-	76,298
96400 BAD DEBT - TENANT RENTS	19,625	-	-	-	7,742	-	-	-	6,112	238	266	-	33,983
96500 BAD DEBT - MORTGAGES	-	-	-	-	-	-	-	-	9,882	-	-	-	9,882
96600 BAD DEBT - OTHER	23,027	-	-	-	7,024	-	-	10,275	-	5	10,015	-	50,346
96700 INTEREST EXPENSE	-	-	-	-	-	-	-	-	55,998	55,506	-	-	111,504
96900 TOTAL OPERATING EXPENSES	1,343,709	-	219,112	5,032	573,612	30,446	69,463	147,163	297,004	758,410	308,410	(487,794)	3,264,567
97000 EXCESS OPERATING REVENUE OVER OP EXP	(136,132)	641,894	1,978,772	-	173,328	-	-	4,699	10,779	108,614	33,353	-	2,815,307
97100 EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
97200 CASUALTY LOSSES - NON-CAPITALIZED	-	-	-	-	-	-	-	-	-	-	-	-	-
97300 HOUSING ASSISTANCE PAYMENTS	-	-	1,929,089	-	-	-	-	-	-	-	-	-	1,929,089
97350 HAP PORTABILITY-IN	-	-	2,606	-	-	-	-	-	-	-	-	-	2,606
97400 DEPRECIATION EXPENSE	308,464	-	530	-	36,975	-	-	43,677	68,373	90,556	94,695	-	643,270
97500 FRAUD LOSSES	-	-	-	-	-	-	-	-	-	-	-	-	-
97600 CAPITAL OUTLAYS - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-
97700 DEBT PRINCIPAL PAYMENT - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-	-	-	-	-	-	-
97800 DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	1,652,173	-	2,151,337	5,032	610,587	30,446	69,463	190,840	365,377	848,966	403,105	(487,794)	5,839,532
10010 OPERATING TRANSFER IN	523,022	-	-	-	-	-	-	-	-	-	-	(523,022)	-
10020 OPERATING TRANSFER OUT	-	(523,022)	-	-	-	-	-	-	-	-	-	523,022	-
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)	523,022	(523,022)	-	-	-	-	-	-	-	-	-	-	-
10000 EXCESS REVENUE OVER EXPENSES	78,426	118,872	46,547	-	136,353	-	-	(38,978)	(57,594)	18,058	(61,342)	-	240,342
11020 REQUIRED ANNUAL DEBT PRINCIPAL PAYMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
11030 BEGINNING EQUITY	3,148,710	549,870	(254,792)	-	574,087	-	-	904,797	268,000	898,722	1,185,385	-	7,274,779
11040 EQUITY TRANSFERS	136,001	(136,001)	-	-	-	-	-	-	-	-	-	-	-
11040 PRIOR PERIOD ADJUSTMENT	-	(85,901)	-	-	-	-	-	-	-	-	85,901	-	-
ENDING EQUITY	3,363,137	446,840	(208,245)	-	710,440	-	-	865,819	210,406	916,780	1,209,944	-	7,515,121
11170 ADMINISTRATIVE FEE EQUITY	-	-	(253,140)	-	-	-	-	-	-	-	-	-	(253,140)
11180 HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	44,895	-	-	-	-	-	-	-	-	-	44,895
11190 UNIT MONTHS AVAILABLE	2,628	-	5,652	-	1,176	-	-	300	612	-	612	-	10,980
11120 # UNIT MONTHS LEASED	2,511	-	4,517	-	1,141	-	-	267	586	-	491	-	9,513
11620 BUILDING PURCHASES	-	-	-	-	-	-	-	-	-	-	-	-	-
11630 FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	118,872	-	-	-	-	-	-	-	-	-	-	118,872
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, 2021

**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>Assistance Listing No.</u>
Public Housing Capital Fund Program	14.872
Section 8 Project Based Cluster	14.182, 14.195

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, 2021

**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