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

FORT WAYNE HOUSING AUTHORITY (FWHA)

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Fort Wayne (Authority), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

The accompanying supplementary information such as financial data schedules and schedule of expenditures of federal awards is the responsibility of management and was derived from the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Summarized Comparative Information

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

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

Velma Butler & Company, Ltd.
Chicago, Illinois

January 27, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

Component Units - The Authority has oversight responsibility including financial accountability, appointment of voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the Authority includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists.

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

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

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

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

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

USING THIS REPORT

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

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

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

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

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

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

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

Table 1
Fort Wayne Housing Authority
(in thousands dollars)

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

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

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

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

Capital Assets

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

Table 2
Fort Wayne Housing Authority's Capital Assets

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

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

Debt

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

Change in Net Position

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

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

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

Expenses

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

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

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

Expenses remained relatively steady for the year.

BUDGETARY CONTROL

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

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

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

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

EXHIBIT A

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

See accompanying notes to the financial statements.

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

EXHIBIT B

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

See accompanying notes to the financial statements.

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

EXHIBIT C

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

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

Note 1 - Organization and Program Description

The Housing Authority of the City of Fort Wayne (the Authority) was established by the City of Fort Wayne pursuant to laws of the State of Indiana to transact business and to have powers as defined therein. The Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable Federal Agencies.

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

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

Additionally, the Authority operates a component unit and has oversight responsibility including financial accountability, appointment of voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the Authority includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists.

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

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

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

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

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

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

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

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

A. Reporting Entity

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

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

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

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

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

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

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

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

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

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

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

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

C. Fund Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Building	40 years
Building Improvements	7 - 40 years
Furniture, Equipment & Machinery	3 - 10 years

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

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

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

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

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

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

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

Note 2 - Budget Information

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

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

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

Note 3 - Cash and Cash Equivalents

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

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

Note 4 - Accounts Receivable

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

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

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

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

Note 5 - Investments

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

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

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

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

Note 6 - Prepaid Expenses

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

Note 7 - Material Inventories

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

Materials Inventory	\$ 67,963
Allowance for Inventory	(7,348)
Total	\$ 60,615

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

Note 8 - Land, Structures and Equipment

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

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

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

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

Note 9 - Other Assets

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

Note 10 - Accounts Payable

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

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

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

Note 11 - Accrued Liabilities

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

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

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

Note 12 - Notes Payable

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

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

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

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

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

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

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

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

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

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

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

Note 13 - Deferred Revenue

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

Note 14 - FSS Escrow

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

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

Note 15 - Employee Benefit Plans

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

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

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

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

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

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

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

Note 16 - Administrative Fees

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

Note 17 - Allocation of Cost

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

Note 18 - Subsequent Events

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

SUPPLEMENTAL INFORMATION

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

EXHIBIT D

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

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

Note 1 - Basis of Presentation

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

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

Note 2 - Sources of Funding

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

Note 3 - Sub-recipients

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

Note 4 - Loans Outstanding

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

Note 5 - Non-Cash Assistance

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

Note 6 - Insurance

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

Fort Wayne Housing Authority (IN003)

FORT WAYNE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

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

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

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

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

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

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

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

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

EXHIBIT F

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

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

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

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

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

EXHIBIT G

ANNUAL CONTRIBUTION CONTRACT PHASES IN36R003502 - 09, 10, 11

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

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

SINGLE AUDIT REPORTS

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
In Accordance with Government Auditing Standards**

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

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

We have audited the financial statements of the business-type activities of the Housing Authority of the City of Fort Wayne (Authority) as of and for the year ended June 30, 2015, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated January 27, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

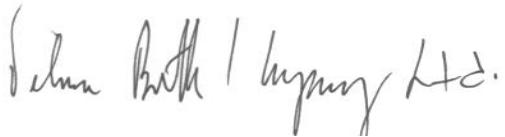
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

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

Velma Butler & Company, Ltd.
Chicago, Illinois

January 27, 2016

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

Independent Auditor's Report

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

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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Fort Wayne (Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal controls over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

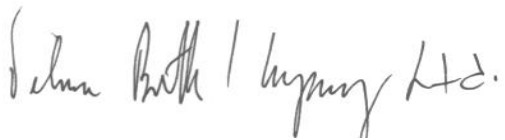
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

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

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

Velma Butler & Company, Ltd.
Chicago, Illinois

January 27, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COST

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

Section I - Summary of Auditor's Results

Financial Statements

The type of report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

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

Noncompliance material to financial statements noted?
Yes X None reported

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

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

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

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

Yes X No

Identification of major program:

U.S. Department of Housing and Urban Development

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

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

Auditee qualified as low-risk auditee? X Yes No

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

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

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

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

Section IV - Financial Statement Findings

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

Section V - Federal Award Findings and Questioned Costs

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

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

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

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

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