

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED DECEMBER 31, 2015

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE

GREENVILLE, SOUTH CAROLINA

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 6
Management's Discussion and Analysis (MD&A)	7 - 14
FINANCIAL STATEMENTS:	
Statement of Net Position	15 - 16
Statement of Revenues, Expenses and Changes in Net Position	17
Statement of Cash Flows	18
Notes to Financial Statements	19 - 26
SUPPLEMENTARY DATA:	
Schedule of Assets, Liabilities and Net Position by Program	27 - 28
Schedule of Revenues, Expenses and Changes in Net Position by Program	29
Schedule of Expenditures of Federal Awards	30
Statement and Certification of Program Costs – Capital Fund Program	31
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	32 - 33

YEAGER & BOYD, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
5501 HIGHWAY 280
BIRMINGHAM, ALABAMA 35242
(205) 991-5506 FAX (205) 991-5450

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of the City of Greenville
Greenville, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of The Housing Authority of the City of Greenville, South Carolina as of and for the year ended December 31, 2015, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. Other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development's information and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 2016 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Yeager & Boyd, LLC

Birmingham, Alabama
April 29, 2016

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE

GREENVILLE, SOUTH CAROLINA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
The Housing Authority of the City of Greenville
Greenville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 29, 2016.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Yeager & Boyd, LLC

Birmingham, Alabama
April 29, 2016

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE

GREENVILLE, SOUTH CAROLINA

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

Board of Commissioners
The Housing Authority of the City of Greenville
Greenville, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended December 31, 2015. The Authority's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 the major federal programs. However, our audit does not provide a legal determination of Authority's compliance.

Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Yeager & Boyd, LLC

Birmingham, Alabama
April 29, 2016

**THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

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

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased \$.5 million in 2015. Net Position was \$33.6 million and \$33.1 million for 2014 and 2015, respectively.

- Revenues increased \$3.4 million during 2015, and were \$18.2 million and \$21.6 million for 2014 and 2015, respectively.

- The total expenses of all Authority programs increased \$2.2 million. Total expenses were \$20 million and \$22.2 million for 2014 and 2015, respectively.

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and “Net Position”, formerly known as net assets. Assets and deferred outflows of resources, and liabilities and deferred inflows of resources are presented in order of liquidity.

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

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

Statement of Cash Flows

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

The Authority's Main Programs

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

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

Other Programs – In addition to the significant programs above, the Authority also maintains the following programs:

- Business Activities and Central Office Cost Center (COCC)
- Resident Opportunity and Supportive Services Program

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

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

TABLE 1
STATEMENT OF NET POSITION

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current & Restricted Assets	\$ 5,729,813	\$ 5,526,161	\$ 203,652
Capital Assets	23,274,900	24,290,347	(1,015,447)
Notes Receivable	4,489,940	4,074,942	414,998
Deferred Outflows of Resource	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 33,494,653</u>	<u>\$ 33,891,450</u>	<u>\$ (396,797)</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 374,577	\$ 262,594	\$ 111,983
Non-Current Liabilities	59,654	50,059	9,595
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Outflows of Resources	<u>\$ 434,231</u>	<u>\$ 312,653</u>	<u>\$ 121,578</u>
Net Position:			
Net Investment in Capital Assets	\$ 23,274,900	\$ 24,290,347	\$ (1,015,447)
Restricted Net Position	24,762	56,637	(31,875)
Unrestricted Net Position	<u>9,760,760</u>	<u>9,231,813</u>	<u>528,947</u>
Total Net Position	<u>\$ 33,060,422</u>	<u>\$ 33,578,797</u>	<u>\$ (518,375)</u>

Major Factors Affecting the Statement of Net Position

During 2015, current and restricted assets increased due mainly to an increase of unrestricted cash and grants receivable due from HUD. See the Statement of Cash Flows for details regarding the excess of cash inflows over outflows. Capital assets decreased \$1 million as a result of depreciation exceeding asset additions. Notes receivable increased due to advances to an affiliated developer to fund predevelopment costs on four low income housing projects.

Current liabilities increased due to increased accounts payable liabilities due to vendors and contractors, and increased Family Self Sufficiency escrow liabilities owed.

An analysis of the change in unrestricted net position is displayed in Table 2 on the following page.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2
CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Position, December 31, 2014	\$ 9,231,813
Results of Operations	(873,561)
Non-operating Bad Debt Expense	-
Investment Income	8,730
Depreciation Expense	1,064,564
Notes Receivable funded from Capital Grants	297,339
Transfer from Restricted Net Position	<u>31,875</u>
Unrestricted Net Position, December 31, 2015	<u>\$ 9,760,760</u>

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

TABLE 3**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

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

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Revenue:			
Tenant Rental Revenue	\$ 827,129	\$ 807,830	\$ 19,299
Operating Grants	20,099,993	16,976,401	3,123,592
Capital Grants	346,456	269,196	77,260
Investment Income	8,730	11,453	(2,723)
Gain on the Sale of Capital Assets	-	29,413	(29,413)
Other Revenue	356,578	171,258	185,320
	<u>\$ 21,638,886</u>	<u>\$ 18,265,551</u>	<u>\$ 3,373,335</u>
Expenses:			
Administrative Expenses	\$ 2,916,173	\$ 2,601,513	\$ 314,660
Tenant Services	281,961	245,408	36,553
Utilities	308,259	333,835	(25,576)
Maintenance & Operations	1,073,195	1,000,926	72,269
Protective Services	56,038	59,209	(3,171)
General Expense	927,870	1,248,220	(320,350)
Housing Assistance Payments	15,529,201	13,373,581	2,155,620
Bad Debt Expense on Notes Receivable	-	-	-
Depreciation	1,064,564	1,136,732	(72,168)
	<u>\$ 22,157,261</u>	<u>\$ 19,999,424</u>	<u>\$ 2,157,837</u>
Excess (Deficiency) Revenue Over Expense	<u>\$ (518,375)</u>	<u>\$ (1,733,873)</u>	<u>\$ 1,215,498</u>

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position

Operating Grants increased in 2015 due largely to increased Section 8 Housing Choice Voucher program operating grant subsidies recognized to fund an upsurge in leasing. Other revenue increased during 2015 due primarily to development revenues recognized in connection with the construction of mixed finance low income housing properties owned by affiliates in Greenville.

Administrative expenses increased due mainly to increased legal and other professional expenses incurred in connection with the predevelopment and development of four mixed finance low income housing projects. General expenses decreased due to decreased pre-demolition and site preparation costs incurred on the Scott Towers Public Housing property, demolished in early 2014. Housing assistance payments expense increased due predominantly to increased leasing.

CAPITAL ASSETS

As of year end, the Authority had \$23.3 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$1 million or 4% from the end of last year.

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

	<u>2015</u>	<u>2014</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 5,643,914	\$ 5,643,914	\$ -	0%
Infrastructure	3,151,742	3,151,742	-	0%
Buildings & Improvements	36,090,846	36,090,846	-	0%
Furniture & Equipment	579,250	579,250	-	0%
Construction in Process	49,117	-	49,117	-
Accumulated Depreciation	<u>(22,239,969)</u>	<u>(21,175,405)</u>	<u>(1,064,564)</u>	<u>5%</u>
Net Capital Assets	<u>\$23,274,900</u>	<u>\$ 24,290,347</u>	<u>\$(1,015,447)</u>	<u>-4%</u>

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

	Business Type <u>Activities</u>
Beginning Balance, January 1, 2015	\$ 24,290,347
Additions:	
Construction in Process	49,117
Depreciation Expense	<u>(1,064,564)</u>
Ending Balance, December 31, 2015	<u>\$ 23,274,900</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

This financial report is designed to provide our residents, the citizens of Greenville, and federal and state regulatory bodies with a general overview of The Housing Authority of the City of Greenville's finances as of December 31, 2015. The individual to be contacted regarding this report is the Authority's Executive Director at The Housing Authority of the City of Greenville, at 122 Edinburg Court, Greenville, SC, 29607.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2015

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 5,347,775
Accounts Receivable - Grants	172,604
Accounts Receivable - Other	2,807
Tenants Accounts Receivable	16,282
Allowance for Doubtful Accounts	(11,450)
Notes Receivable - Current	1,547
Prepaid Costs	112,638
Total Current Assets	<u>5,642,203</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	57,242
Investments	30,368
Total Restricted Assets	<u>87,610</u>
<u>Capital Assets</u>	
Land	5,643,914
Buildings and Improvements	36,090,846
Furniture & Equipment	579,250
Construction in Progress	49,117
Infrastructure	3,151,742
	<u>45,514,869</u>
(Less): Accumulated Depreciation	<u>(22,239,969)</u>
Net Capital Assets	<u>23,274,900</u>
<u>Other Assets</u>	
Notes Receivable	<u>4,489,940</u>
Total Other Assets	<u>4,489,940</u>
	<u>33,494,653</u>
Total Assets	<u>33,494,653</u>
Deferred Outflows of Resources	<u>-</u>
	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 33,494,653</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2015

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

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 232,707
Accrued Compensated Absences	5,187
Tenant Security Deposits	66,665
Unearned Revenue	7,035
Other Current Liabilities	62,983
Total Current Liabilities	<u>374,577</u>
<u>Long Term Liabilities</u>	
Accrued Compensated Absences	59,654
Total Long Term Liabilities	<u>59,654</u>
Total Liabilities	<u>434,231</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>434,231</u>
<u>Net Position</u>	
Net Investment in Capital Assets	23,274,900
Restricted Net Position	24,762
Unrestricted Net Position	9,760,760
Total Net Position	<u>33,060,422</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 33,494,653</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 827,129
Operating Grants	20,099,993
Other Revenue	356,578
Total Operating Revenues	<u>21,283,700</u>
<u>Operating Expenses</u>	
Administrative	2,916,173
Tenant Services	281,961
Utilities	308,259
Maintenance and Operations	1,073,195
Protective Services	56,038
General Expense	927,870
Housing Assistance Payments	15,529,201
Depreciation	1,064,564
Total Operating Expenses	<u>22,157,261</u>
Operating Income (Loss)	<u>(873,561)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	4,858
Mortgage Interest Income	3,872
Non-Operating Bad Debt Expense	-
Total Non-Operating Rev/(Exp)	<u>8,730</u>
Increase (decrease) before Capital Contributions and Transfers	<u>(864,831)</u>
Capital Contributions	<u>346,456</u>
Increase (Decrease) in Net Position	(518,375)
Net Position, Beginning	<u>33,578,797</u>
Net Position, Ending	<u>\$ 33,060,422</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 793,582
Cash Received from Operating Grants	20,039,582
Cash Received from Other Sources	377,402
Cash Payments for Salaries and Benefits	(2,010,916)
Cash Payments to Vendors and Landlords	(19,021,659)
Net cash provided (used) by operating activities	<u>177,991</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	50,901
Net cash provided (used) by capital & related financing activities	<u>50,901</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	4,858
Grants Received to fund Advances to Developer	297,339
Advances to Affiliated Developer	(297,339)
Proceeds Received on Advances to Developer	150,000
Principal and Interest Receipts on Home Ownership Note Receivable	5,352
Cash transfer to Investments	(30,368)
Net cash provided (used) by investing activities	<u>129,842</u>
Net increase in cash and cash equivalents	358,734
<u>Cash and cash equivalents, beginning of year:</u>	
Current and Restricted Cash	<u>5,046,283</u>
Total cash and cash equivalents, beginning of year	<u>5,046,283</u>
<u>Cash and cash equivalents, end of year:</u>	
Current and Restricted Cash	5,405,017
Total cash and cash equivalents, end of year	<u>\$ 5,405,017</u>
 <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (873,561)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,064,564
Bad Debt Expense (Tenants)	35,834
Change in Tenant Accounts Receivable	(33,547)
Change in Accounts Receivable/Payable - Grants	(60,411)
Change in Other Accounts Receivable	(2,182)
Change in Prepaid Costs and Inventory	(27,236)
Change in Accounts Payable - Operating	41,094
Change in Accrued Expenses	10,430
Change in Security Deposits Held	(18,515)
Change in FSS Escrow Liabilities	41,521
Net cash provided (used) by operating activities	<u>\$ 177,991</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE

GREENVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

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

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

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board.

Cash

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

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other accounts receivable consist primarily of amounts due from HUD.

Prepaid Items

Prepaid Items consist of payments made to vendors for services that will benefit future periods.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Revenue Accounting Policies

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

These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

Capital Assets

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

Buildings and Improvements	5 - 30 years
Furniture fixtures and equipment	2 - 10 years

Authority management has assessed the carrying values of capital asset balances as of December 31, 2015, and as of April 29, 2016. No significant capital asset value impairments exist as of the noted dates other than the impairment reported and disclosed in these financial statements and related notes.

Indirect Costs Recovery

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. There are no component units. The Authority is responsible for its debts and is entitled to surpluses.

NOTE C - CASH AND INVESTMENT DEPOSITS

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

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

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

The Authority’s cash, cash equivalents and investments consist of cash held in interest bearing checking and money market accounts totaling \$5,435,385.

Deposits with financial institutions are secured as follows:

	<u>Reconciled Book Balance</u>	<u>Deposits in Bank</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities in the Authority name which are held by the financial institution	<u>5,185,385</u>	<u>5,243,732</u>
	<u><u>\$ 5,435,385</u></u>	<u><u>\$ 5,493,732</u></u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the Statement of Net Position Date as follows:

Type of Commitment:

Construction and Improvements	\$ 1,544,838
-------------------------------	--------------

NOTE E – SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation, useful lives, recoverable values of capital assets and notes receivable valuations. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE F – RISK MANAGEMENT

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

NOTE G – CONCENTRATION OF RISK

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

NOTE H – INTERPROGRAM ACTIVITY

The Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Authority's Central Office Cost Center and subsequently reimbursed. Balances due for operating advances and other notes are reflected in the Statement of Net Position by Program, but are eliminated in the Authority's Statement of Net Position. Inter-program balances at December 31, 2015 consisted of the following:

Central Office Cost Center	\$ 14,646
Central Office - Non-Current Receivables	66,540
ROSS	(14,646)
Housing Choice Vouchers - Loan Payable	(66,540)
	<hr/>
	\$ -

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – NOTES AND INTEREST RECEIVABLE

The Authority has loaned funds to various entities to finance the development of low income housing projects. As of December 31, 2015, notes and interest receivable balances are summarized as follows:

Due from Valley Creek Associates, LP (Arcadia Hills)		
Note dated April 2003, matures December 2033	\$ 1,340,212	
Allowance for Doubtful Accounts	(1,016,015)	
Accrued Interest	479,095	
Allowance against Accrued Interest	(479,095)	324,197
Due from 335 Greenacre Road, LP (Charleston Place)		
Note dated July 2006, matures December 2047	441,998	
Allowance for Doubtful Accounts	(335,079)	
Accrued Interest	262,506	
Allowance against Accrued Interest	(262,506)	106,919
Due from Three Hundred Nichol Street, LP (Evergreen Place)		
Note dated December 2006, matures December 2051	8,332,111	
Allowance for Doubtful Accounts	(6,316,573)	
Accrued Interest	1,955,870	
Allowance against Accrued Interest	(1,955,870)	2,015,538
Due from Clark Steet, LP		
Note dated April 2008, matures April 2053	1,628,211	
Note dated May 2008, matures May 2038	500,000	
Allowance for Doubtful Accounts	(1,734,975)	
Accrued Interest	647,554	
Allowance against Accrued Interest	(647,554)	393,236
Due from 50 Ramsey Court, LP (Forest View)		
Note dated June 2007, matures June 2052	2,667,359	
Allowance for Doubtful Accounts	(2,039,179)	
Accrued Interest	1,319,896	
Allowance against Accrued Interest	(1,319,896)	628,180
Due from Nichol Town Green, LP		
Note dated December 2007, matures December 2052	2,156,522	
Allowance for Doubtful Accounts	(1,634,859)	
Accrued Interest	885,604	
Allowance against Accrued Interest	(885,604)	521,663
Due from DST Development, LLC (Three Pre-development Loans)		
Notes dated August 2014, mature upon 1st disbursement from construction/permanent loan(s)	416,535	416,535
Due from home owner		
Home Ownership Assistance Loan	85,219	85,219
Less Current Portion		(1,547)
Notes Receivable - Long Term		<u>\$ 4,489,940</u>

Interest on the limited partnership notes is compounded annually at 3% to 5.5%, on outstanding principal and accrued interest balances. The principal amount and any unpaid accrued interest is payable only from net available cash flows of the entities, as defined in the repayment agreements, with any outstanding principal and accrued interest due upon maturity. The notes and applicable interest are carried at the amount considered by management to be collectible, and are secured by Security Agreements and Subordinate Construction Leasehold Mortgages on the applicable projects.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – RELATED PARTY TRANSACTION – BOND ISSUE

In December of 2006, the Authority issued \$9,000,000 of Multi-Family Tax Exempt Bonds to finance a loan to Three Hundred Nichol Street, LP (the Partnership). The loan from the Authority to the Partnership was made to finance the acquisition and rehabilitation of an apartment complex in Greenville, South Carolina. The loan made by the Authority to the Partnership is secured by a first deed of trust in all the Partnership's property. The Authority's obligation under the bond issue is limited to payments received by the Authority from the Partnership, and the security pledged, from the Partnership. The principal balance of the loan owed by the Partnership to the Authority, and payable from the Authority on the bonds, was \$2,299,493 at December 31, 2015. Due to the Authority's limited obligation under the bond issue, management has elected not to account for the transaction as a liability because the Authority's assets are not at risk concerning the bonds. Accordingly, the Authority has not recognized the related note receivable due from the Partnership as an asset.

NOTE K - PENSION PLAN

The Authority provides pension benefits for all of its eligible full-time employees through a defined contribution plan, known as The Government Agency Retirement Plan. The plan is administered by Billings and Company, Incorporated. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 10% of the employees' base salary and employees do not contribute to the plan. Contributions and allocated investment earnings are fully vested after 5 years of continuous service. During 2015, the Authority made the required contributions in the amount of \$138,879, and there were no unpaid pension liabilities outstanding at December 31, 2015.

NOTE L – RESTRICTED CASH, INVESTMENTS AND NET POSITION

The Authority's restricted cash consists of the following as of the end of the year:

Held for Housing Assistance Payments	\$	22,787
FSS Escrow Deposits		62,848
Other restricted funds		1,975
Total Restricted Cash, Cash Equivalents and Investments	\$	<u>87,610</u>

Because there is no off-setting liability for cash restricted for housing assistance payments or other restricted funds, \$24,762 is reported as restricted net position in the Statement of Net Position.

NOTE M – COMMITMENTS AND CONTINGENCIES

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – CAPITAL ASSETS

A summary of capital assets at December 31, 2015 is as follows:

	BUSINESS ACTIVITIES	PUBLIC HOUSING	COCC	HOUSING CHOICE VOUCHERS	TOTAL
Land	\$ 772,930	\$ 4,870,984	\$ -	\$ -	\$ 5,643,914
Infrastructure	3,151,742	-	-	-	3,151,742
Buildings and Improvements	-	34,978,601	784,972	327,273	36,090,846
Furniture and Equipment	23,075	453,119	96,159	6,897	579,250
Construction in Progress	-	49,117	-	-	49,117
Less: Accumulated Depreciation	(548,366)	(21,459,747)	(178,035)	(53,821)	(22,239,969)
Total Capital Assets	<u>\$ 3,399,381</u>	<u>\$ 18,892,074</u>	<u>\$ 703,096</u>	<u>\$ 280,349</u>	<u>\$ 23,274,900</u>

	January 1, 2015 Balance	Additions	Transfers & Deletions	December 31, 2015 Balance
Land	\$ 5,643,914	\$ -	\$ -	\$ 5,643,914
Construction in Process	-	49,117	-	49,117
Total Assets not being Depreciated	5,643,914	49,117	-	5,693,031
Infrastructure	3,151,742	-	-	3,151,742
Buildings and Improvements	36,090,846	-	-	36,090,846
Furniture and Equipment	579,250	-	-	579,250
Total Capital Assets	45,465,752	49,117	-	45,514,869
Less Accumulated Depreciation Buildings, Infrastructure and Improvements	(20,784,287)	(1,004,431)	-	(21,788,718)
Furniture and Equipment	(391,118)	(60,133)	-	(451,251)
Net Book Value	<u>\$ 24,290,347</u>	<u>\$ (1,015,447)</u>	<u>\$ -</u>	<u>\$ 23,274,900</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through April 29, 2016, the date the financial statements were issued.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
DECEMBER 31, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Public Housing & Capital Fund Programs	Resident Opportunity & Supportive Services	Housing Choice Voucher Program	Business Activities	Central Office Cost Center	Elimination	Total Enterprise Fund
<u>Current Assets</u>							
Cash and Cash Equivalents	\$ 3,660,082	\$ -	\$ 7,578	\$ 740,993	\$ 939,122	\$ -	\$ 5,347,775
Accounts Receivable - Grants	86,907	14,646	71,051	-	-	-	172,604
Accounts Receivable - Other	2,807	-	-	-	-	-	2,807
Tenants Accounts Receivable	16,282	-	-	-	-	-	16,282
Allowance for Doubtful Accounts	(11,450)	-	-	-	-	-	(11,450)
Notes Receivable - Current	-	-	-	1,547	-	-	1,547
Prepaid Costs	43,756	-	2,205	17,684	48,993	-	112,638
Inter-program Receivable	-	-	-	-	14,646	(14,646)	-
Total Current Assets	3,798,384	14,646	80,834	760,224	1,002,761	(14,646)	5,642,203
<u>Restricted Assets</u>							
Cash and Cash Equivalents	32,480	-	22,787	1,975	-	-	57,242
Investments	-	-	30,368	-	-	-	30,368
Total Restricted Assets	32,480	-	53,155	1,975	-	-	87,610
<u>Capital Assets</u>							
Land	4,870,984	-	-	772,930	-	-	5,643,914
Buildings and Improvements	34,978,601	-	327,273	-	784,972	-	36,090,846
Furniture & Equipment	453,119	-	6,897	23,075	96,159	-	579,250
Construction in Progress	49,117	-	-	-	-	-	49,117
Infrastructure	-	-	-	3,151,742	-	-	3,151,742
	40,351,821	-	334,170	3,947,747	881,131	-	45,514,869
(Less): Accumulated Depreciation	(21,459,747)	-	(53,821)	(548,366)	(178,035)	-	(22,239,969)
Net Capital Assets	18,892,074	-	280,349	3,399,381	703,096	-	23,274,900
<u>Other Assets</u>							
Notes Receivable	-	-	-	4,489,940	66,540	(66,540)	4,489,940
Total Other Assets	-	-	-	4,489,940	66,540	(66,540)	4,489,940
Total Assets	22,722,938	14,646	414,338	8,651,520	1,772,397	(81,186)	33,494,653
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 22,722,938	\$ 14,646	\$ 414,338	\$ 8,651,520	\$ 1,772,397	\$ (81,186)	\$ 33,494,653

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
DECEMBER 31, 2015

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Public Housing & Capital Fund Programs	Resident Opportunity & Supportive Services	Housing Choice Voucher Program	Business Activities	Central Office Cost Center	Elimination	Total Enterprise Fund
<u>Current Liabilities</u>							
Accounts Payable	\$ 101,397	\$ -	\$ 73,735	\$ 45,858	\$ 11,717	\$ -	\$ 232,707
Accrued Compensated Absences	2,947	-	440	450	1,350	-	5,187
Tenant Security Deposits	66,665	-	-	-	-	-	66,665
Unearned Revenue	7,035	-	-	-	-	-	7,035
Other Current Liabilities	32,480	-	30,368	135	-	-	62,983
Interprogram Payable	-	14,646	-	-	-	(14,646)	-
Total Current Liabilities	210,524	14,646	104,543	46,443	13,067	(14,646)	374,577
<u>Long Term Liabilities</u>							
Accrued Compensated Absences	33,885	-	5,076	5,173	15,520	-	59,654
Loan Liabilities - Non-current	-	-	66,540	-	-	(66,540)	-
Total Long Term Liabilities	33,885	-	71,616	5,173	15,520	(66,540)	59,654
Total Liabilities	244,409	14,646	176,159	51,616	28,587	(81,186)	434,231
Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	244,409	14,646	176,159	51,616	28,587	(81,186)	434,231
<u>Net Position</u>							
Net Investment in Capital Assets	18,892,074	-	280,349	3,399,381	703,096	-	23,274,900
Restricted Net Position	-	-	22,787	1,975	-	-	24,762
Unrestricted Net Position	3,586,455	-	(64,957)	5,198,548	1,040,714	-	9,760,760
Total Net Position	22,478,529	-	238,179	8,599,904	1,743,810	-	33,060,422
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 22,722,938	\$ 14,646	\$ 414,338	\$ 8,651,520	\$ 1,772,397	\$ (81,186)	\$ 33,494,653

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
SCHEDULE OF INCOME, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015

	Public Housing & Capital Fund Programs	Resident Opportunity & Supportive Services	Housing Choice Voucher Program	Business Activities	Central Office Cost Center	Elimination	Total Enterprise Fund
<u>Operating Revenues</u>							
Dwelling Rent	\$ 827,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 827,129
Operating Grants	2,872,827	224,200	17,002,966	-	-	-	20,099,993
Other Revenue	17,288	-	36,958	251,975	971,317	(920,960)	356,578
Total Operating Revenues	<u>3,717,244</u>	<u>224,200</u>	<u>17,039,924</u>	<u>251,975</u>	<u>971,317</u>	<u>(920,960)</u>	<u>21,283,700</u>
<u>Operating Expenses</u>							
Administrative	1,627,711	-	1,444,959	76,219	688,244	(920,960)	2,916,173
Tenant Services	13,428	224,200	-	44,333	-	-	281,961
Utilities	300,802	-	-	-	7,457	-	308,259
Maintenance and Operations	1,050,675	-	-	4,200	18,320	-	1,073,195
Protective Services	56,038	-	-	-	-	-	56,038
General Expense	800,503	-	71,161	450	55,756	-	927,870
Housing Assistance Payments	-	-	15,529,201	-	-	-	15,529,201
Depreciation	918,629	-	12,783	105,058	28,094	-	1,064,564
Total Operating Expenses	<u>4,767,786</u>	<u>224,200</u>	<u>17,058,104</u>	<u>230,260</u>	<u>797,871</u>	<u>(920,960)</u>	<u>22,157,261</u>
Operating Income (Loss)	(1,050,542)	-	(18,180)	21,715	173,446	-	(873,561)
<u>Non-Operating Revenues (Expenses)</u>							
Investment Income	3,685	-	310	-	863	-	4,858
Mortgage Interest Income	-	-	-	3,872	-	-	3,872
Non-Operating Bad Debt Expense	-	-	-	-	-	-	-
Total Non-Operating Rev/(Exp)	<u>3,685</u>	<u>-</u>	<u>310</u>	<u>3,872</u>	<u>863</u>	<u>-</u>	<u>8,730</u>
Increase (decrease) before Capital Contributions and Transfers	<u>(1,046,857)</u>	<u>-</u>	<u>(17,870)</u>	<u>25,587</u>	<u>174,309</u>	<u>-</u>	<u>(864,831)</u>
Capital Contributions	346,456	-	-	-	-	-	346,456
Operating Transfers In (Out)	-	-	-	-	-	-	-
Increase (Decrease) in Net Position	<u>(700,401)</u>	<u>-</u>	<u>(17,870)</u>	<u>25,587</u>	<u>174,309</u>	<u>-</u>	<u>(518,375)</u>
Net Position, Beginning	23,745,465	-	256,049	8,007,782	1,569,501	-	33,578,797
Net Position Transfers	(566,535)	-	-	566,535	-	-	-
Net Position, Ending	<u>\$ 22,478,529</u>	<u>\$ -</u>	<u>\$ 238,179</u>	<u>\$ 8,599,904</u>	<u>\$ 1,743,810</u>	<u>\$ -</u>	<u>\$ 33,060,422</u>

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2015

EXPENDITURES

Public Housing Expenditures	
Total CFDA Number 14.850a	<u>\$ 2,295,613</u>
Resident Opportunity and Supportive Services	
Total CFDA Number 14.870	<u>224,200</u>
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	<u>17,002,966</u>
Public Housing Capital Fund Program	
Total CFDA Number 14.872	<u>923,670</u>
Total HUD Expenditures	<u>20,446,449</u>
TOTAL FEDERAL EXPENDITURES	<u><u>\$ 20,446,449</u></u>

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

**THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	SC16R00450110	SC16R00450211	SC16R00450113
Funds Approved	\$ 342,922	\$ 1,514	\$ 50,971
Funds Expended	342,922	1,514	50,971
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 342,922	\$ 1,514	\$ 50,971
Funds Expended	342,922	1,514	50,971
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2015

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified? Yes No

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

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

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified? Yes No

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

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

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Resident Opportunity and Supportive Services Program	14.870
Section 8 Housing Choice Voucher Program	14.871

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

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

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2015

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

Section III: Federal Awards Findings and Questioned Costs:

None

Current Year Findings and Questioned Costs:

None