

**THE HOUSING AUTHORITY OF
THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS & SUPPLEMENTAL DATA
YEAR ENDED DECEMBER 31, 2017**

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA
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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, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2017, 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. Supplementary data is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for the Department of Housing and Urban Development's information and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The Financial Data Schedule, the Schedule of Expenditures of Federal Awards and other supplementary data 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 September 10, 2018 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
September 10, 2018

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, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 10, 2018.

Internal Control Over Financial Reporting

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

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

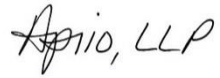
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during our audit we did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

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, stylized font.

Birmingham, Alabama
September 10, 2018

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, 2017. The Authority's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (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, 2017.

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 federal 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.

Aprio, LLP

Birmingham, Alabama
September 10, 2018

**THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2017**

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. This MD&A covers only the Authority's Enterprise Fund and does not analyze the financial position or current year's activity of the Discretely Presented Component Units. Separate audit reports have been issued on the financial statements of the Discretely Presented Component Units. The audited financial statements of the Discretely Presented Component Units have been included in the financial statements of the Authority.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased \$1.4 million in 2017. Net Position was \$35.6 million and \$37 million for 2016 and 2017, respectively.
- Revenues decreased \$1.4 million during 2017, and were \$26.3 million and \$24.9 million for 2016 and 2017, respectively.
- The total expenses of all Authority programs decreased \$.3 million. Total expenses were \$23.8 million and \$23.5 million for 2016 and 2017, respectively.

Authority-Wide Financial Statements

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format 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 and internal reporting sectors – 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
- Greenville Redevelopment Corporation (a Blended Component Unit)
- Other Blended Component Units include GAH Scattered Sites, LLC; GAH Arcadia Hills, LLC; and GAH Ridgeway, LLC

AUTHORITY-WIDE STATEMENTS

Condensed Statement of Net Position

The following table reflects the Condensed Statement of Net Position compared to the prior year.

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current & Restricted Assets	\$ 6,505,042	\$ 7,402,166	\$ (897,124)
Capital Assets	20,706,339	21,565,753	(859,414)
Other Assets	10,412,174	9,034,872	1,377,302
Deferred Outflows of Resource	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	<u>\$ 37,623,555</u>	<u>\$ 38,002,791</u>	<u>\$ (379,236)</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 481,648	\$ 917,801	\$ (436,153)
Non-Current Liabilities	121,242	64,926	56,316
Deferred Inflows of Resources	-	1,424,192	(1,424,192)
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Outflows of Resources	<u>\$ 602,890</u>	<u>\$ 2,406,919</u>	<u>\$ (1,804,029)</u>
Net Position:			
Net Investment in Capital Assets	\$ 20,706,339	\$ 21,565,753	\$ (859,414)
Restricted Net Position	884,071	258,260	625,811
Unrestricted Net Position	15,430,255	13,771,859	1,658,396
	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$ 37,020,665</u>	<u>\$ 35,595,872</u>	<u>\$ 1,424,793</u>

Major Factors Affecting the Condensed Statement of Net Position

During 2017, current and restricted assets decreased due mainly to a reduction of grant receivables and cash restricted for housing assistance payments. Capital assets decreased \$.9 million as a result of depreciation and dispositions exceeding asset additions. See Table 5 for a summary of the change in capital assets. Other assets increased due primarily to funds loaned to affiliates under promissory notes.

Current liabilities decreased due to a reduced amount of accounts payable liabilities to vendors and contractors, and a decrease of unearned revenues as a result of unexpended grant proceeds received as of the end of 2016.

Restricted net position increased due to additional funds held in repair and replacement reserves. 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, 2016	\$ 13,771,859
Results of Operations	1,189,860
Proceeds Received from the Disposition of Capital Assets	515,302
Capital Asset Purchases from Operations	(422,705)
Investment Income	111,802
Depreciation Expense	889,948
Change in Restricted Net Position	<u>(625,811)</u>
Unrestricted Net Position, December 31, 2017	<u><u>\$ 15,430,255</u></u>

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

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

The following Schedule compares the revenues and expenses for the current and previous fiscal years.

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Revenue:			
Tenant Rental Revenue	\$ 546,029	\$ 628,844	\$ (82,815)
Operating Grants	23,709,483	21,342,277	2,367,206
Capital Contributions	113,414	1,504,590	(1,391,176)
Investment Income	111,802	81,942	29,860
Gain on the Sale of Capital Assets	9,717	2,086,996	(2,077,279)
Other Revenue	415,827	683,201	(267,374)
Total Revenue	\$ 24,906,272	\$ 26,327,850	\$ (1,421,578)
Expenses:			
Administrative Expenses	\$ 2,876,182	\$ 3,008,786	\$ (132,604)
Tenant Services	425,696	495,829	(70,133)
Utilities	148,715	313,459	(164,744)
Maintenance & Operations	695,122	922,113	(226,991)
Protective Services	56,010	55,016	994
General Expense	1,067,771	883,181	184,590
Housing Assistance Payments	17,322,035	17,030,968	291,067
Bad Debt Expense on Notes Receivable	-	134,315	(134,315)
Depreciation	889,948	948,733	(58,785)
Total Expenses	\$ 23,481,479	\$ 23,792,400	\$ (310,921)
Excess Revenue Over Expense	\$ 1,424,793	\$ 2,535,450	\$ (1,110,657)

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

Operating Grants increased in 2017 due largely to additional Capital Fund Program operating grant subsidies recognized to fund the conversion of former Public Housing Program properties to the Rental Assistance Demonstration (RAD) Program. Capital contributions decreased due to a significant reduction of modernization and improvement activity on the Public Housing dwelling properties. The 2016 gain on the disposition of capital assets was a result of the sale of a multi-family dwelling property. Property dispositions in 2017 were not as significant. Other revenue decreased during 2017 due primarily to a reduction of development revenues recognized in connection with the construction of mixed finance low income housing properties owned by affiliates in Greenville.

Administrative costs decreased moderately due to a reduction of consulting and other miscellaneous office expenses. Utility costs decreased due to reduced leasing of the Authority's owned-housing properties. External maintenance contract expenditures decreased, as leasing declined. General expenses increased due mainly to pre-development and other non-capitalizable costs incurred in connection with the 2017 RAD conversion. Housing assistance payments increased due to increased payment standards and fair market rental rates. Management analyzed all notes and interest receivable balances as of year-end 2017 for realizability and determined that a 2017 write-down is not necessary.

CAPITAL ASSETS

As of year-end, the Authority had \$20.7 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$.9 million or 4% from the end of last year.

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

	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 5,570,643	\$ 5,643,914	\$ (73,271)	-1%
Infrastructure	3,151,742	3,151,742	-	0%
Buildings & Improvements	26,114,262	26,336,731	(222,469)	-1%
Furniture & Equipment	425,519	494,332	(68,813)	-14%
Construction in Process	187,362	472,930	(285,568)	-60%
Accumulated Depreciation	<u>(14,743,189)</u>	<u>(14,533,896)</u>	<u>(209,293)</u>	<u>1%</u>
Net Capital Assets	<u>\$20,706,339</u>	<u>\$ 21,565,753</u>	<u>\$ (859,414)</u>	<u>-4%</u>

TABLE 5
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, January 1, 2017	\$ 21,565,753
Additions and Transfers:	
Buildings & Improvements	776,917
Furniture and Equipment	44,770
Construction in Process	187,362
CIP - Transfer to Buildings	(472,930)
Dispositions, Net of Depreciation	(505,585)
Depreciation Expense	<u>(889,948)</u>
Ending Balance, December 31, 2017	<u>\$ 20,706,339</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, 2017. 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, 2017

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	<u>Enterprise</u> <u>Fund</u>	<u>The</u> <u>Partnerships</u>	<u>Total</u> <u>Reporting</u> <u>Entity</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 5,274,223	\$ 225,811	\$ 5,500,034
Accounts Receivable - Grants	4,497	-	4,497
Accounts Receivable - Other	124,920	-	124,920
Tenants Accounts Receivable	1,530	5,479	7,009
Allowance for Doubtful Accounts	(50)	(913)	(963)
Prepaid Costs	70,087	7,422	77,509
Total Current Assets	<u>5,475,207</u>	<u>237,799</u>	<u>5,713,006</u>
<u>Restricted Assets</u>			
Cash and Cash Equivalents	933,230	479,280	1,412,510
Investments	96,605	-	96,605
Total Restricted Assets	<u>1,029,835</u>	<u>479,280</u>	<u>1,509,115</u>
<u>Capital Assets</u>			
Land	5,570,643	-	5,570,643
Buildings and Improvements	26,114,262	11,300,314	37,414,576
Furniture & Equipment	425,519	101,746	527,265
Construction in Progress	187,362	-	187,362
Infrastructure	3,151,742	-	3,151,742
	<u>35,449,528</u>	<u>11,402,060</u>	<u>46,851,588</u>
(Less): Accumulated Depreciation	<u>(14,743,189)</u>	<u>(5,520,532)</u>	<u>(20,263,721)</u>
Net Capital Assets	<u>20,706,339</u>	<u>5,881,528</u>	<u>26,587,867</u>
<u>Other Assets</u>			
Notes and Interest Receivable	9,831,202	-	9,831,202
Prepaid Lease Costs	-	152,715	152,715
Investment in Partnerships	562,960	-	562,960
Other Non-current Assets	18,012	9,814	27,826
Total Other Assets	<u>10,412,174</u>	<u>162,529</u>	<u>10,574,703</u>
Total Assets	<u>37,623,555</u>	<u>6,761,136</u>	<u>44,384,691</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 37,623,555</u>	<u>\$ 6,761,136</u>	<u>\$ 44,384,691</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2017

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

	<u>Enterprise</u> <u>Fund</u>	<u>The</u> <u>Partnerships</u>	<u>Total</u> <u>Reporting</u> <u>Entity</u>
<u>Current Liabilities</u>			
Accounts Payable	\$ 319,987	\$ 22,456	\$ 342,443
Accrued Compensated Absences	6,268	456	6,724
Accrued Interest Payable	-	6,125	6,125
Tenant Security Deposits	53,629	21,425	75,054
Unearned Revenue	5,159	121,350	126,509
Current Portion of Capital Debt	-	27,849	27,849
Escrow Deposits	96,605	-	96,605
Total Current Liabilities	<u>481,648</u>	<u>199,661</u>	<u>681,309</u>
<u>Long Term Liabilities</u>			
Long Term Capital Debt	-	3,012,208	3,012,208
Long Term Non-capital Debt	-	75,000	75,000
Accrued Interest Payable	-	901,640	901,640
Accrued Compensated Absences	72,083	5,243	77,326
Escrow Deposits (Non-current)	49,159	-	49,159
Other Non-current Liabilities	-	58,775	58,775
Total Long Term Liabilities	<u>121,242</u>	<u>4,052,866</u>	<u>4,174,108</u>
Total Liabilities	<u>602,890</u>	<u>4,252,527</u>	<u>4,855,417</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>602,890</u>	<u>4,252,527</u>	<u>4,855,417</u>
<u>Net Position</u>			
Net Investment in Capital Assets	20,706,339	2,841,471	23,547,810
Restricted Net Position	884,071	479,280	1,363,351
Unrestricted Net Position	15,430,255	(812,142)	14,618,113
Total Net Position	<u>37,020,665</u>	<u>2,508,609</u>	<u>39,529,274</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 37,623,555</u>	<u>\$ 6,761,136</u>	<u>\$ 44,384,691</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, 2017

	<u>Enterprise Fund</u>	<u>The Partnerships</u>	<u>Total Reporting Entity</u>
<u>Operating Revenues</u>			
Dwelling Rent	\$ 546,029	\$ 626,097	\$ 1,172,126
Operating Grants	23,709,483	-	23,709,483
Other Revenue	415,827	166,147	581,974
Total Operating Revenues	<u>24,671,339</u>	<u>792,244</u>	<u>25,463,583</u>
<u>Operating Expenses</u>			
Administrative	2,876,182	182,306	3,058,488
Tenant Services	425,696	309	426,005
Utilities	148,715	32,656	181,371
Maintenance and Operations	695,122	194,937	890,059
Protective Services	56,010	1,211	57,221
General Expense	1,067,771	119,462	1,187,233
Housing Assistance Payments	17,322,035	-	17,322,035
Depreciation	889,948	431,258	1,321,206
Total Operating Expenses	<u>23,481,479</u>	<u>962,139</u>	<u>24,443,618</u>
Operating Income (Loss)	<u>1,189,860</u>	<u>(169,895)</u>	<u>1,019,965</u>
<u>Non-Operating Revenues (Expenses)</u>			
Investment Income	826	158	984
Interest Income on Notes Receivable	110,976	-	110,976
Gain on the Disposition of Capital Assets	9,717	-	9,717
Interest Expense	-	(162,275)	(162,275)
Total Non-Operating Rev/(Exp)	<u>121,519</u>	<u>(162,117)</u>	<u>(40,598)</u>
Increase (decrease) before Capital Contributions	<u>1,311,379</u>	<u>(332,012)</u>	<u>979,367</u>
Capital Contributions	<u>113,414</u>	<u>-</u>	<u>113,414</u>
Increase (Decrease) in Net Position	1,424,793	(332,012)	1,092,781
Net Position, Beginning	35,595,872	811,506	36,407,378
Net Position Transfers-in	-	2,029,115	2,029,115
Net Position, Ending	<u>\$ 37,020,665</u>	<u>\$ 2,508,609</u>	<u>\$ 39,529,274</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, 2017

	Enterprise Fund	The Partnerships	Total Reporting Entity
<u>Cash flows from operating activities:</u>			
Cash Received from Dwelling Rent	\$ 542,912	\$ 533,333	\$ 1,076,245
Cash Received from Operating Grants	22,105,202	-	22,105,202
Operating Grant Receipts from the Authority	-	95,907	95,907
Management Fees Received from Partnerships	26,572	-	26,572
Cash Received from Other Sources	320,345	134,685	455,030
Cash Payments for Salaries and Benefits	(2,058,294)	(127,341)	(2,185,635)
Management Fees paid to EBRPHA	-	(26,572)	(26,572)
Cash Payments to Vendors and Landlords	(20,417,035)	(411,487)	(20,828,522)
Subsidies Paid to the Partnerships	(95,907)	-	(95,907)
Net cash provided (used) by operating activities	<u>423,795</u>	<u>198,525</u>	<u>622,320</u>
<u>Cash flows from non-capital financing activities:</u>			
Proceeds on Notes issued to the Authority	-	75,000	75,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>75,000</u>	<u>75,000</u>
<u>Cash flows from capital and related financing activities:</u>			
Capital Grants Received	468,375	-	468,375
Capital Outlay	(754,272)	-	(754,272)
Principal and Interest paid on Capital Debt	-	(106,950)	(106,950)
Proceeds Received on Dispositions	515,302	-	515,302
Net cash provided (used) by capital & related financing activities	<u>229,405</u>	<u>(106,950)</u>	<u>122,455</u>
<u>Cash flows from investing activities:</u>			
Interest earned from cash and cash equivalents	826	158	984
Proceeds Received on Home-ownership Loans	83,673	-	83,673
Transfer to Investments	(16,686)	-	(16,686)
Disbursements on Notes Issued to 335 Greenacre Road, LP	(75,000)	-	(75,000)
Disbursements on Promissory Notes	(1,110,354)	-	(1,110,354)
GP Investment in 335 Greenacre Road, LP	(80,972)	-	(80,972)
335 Greenacre Road, LP Cash transferred-in	-	128,931	128,931
Net cash provided (used) by investing activities	<u>(1,198,513)</u>	<u>129,089</u>	<u>(1,069,424)</u>
Net increase/(decrease) in cash and cash equivalents	(545,313)	295,664	(249,649)
Total cash and cash equivalents, beginning of year	<u>6,752,766</u>	<u>409,427</u>	<u>7,162,193</u>
Total cash and cash equivalents, end of year	<u>\$ 6,207,453</u>	<u>\$ 705,091</u>	<u>\$ 6,912,544</u>

Continued on next page

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Enterprise Fund</u>	<u>The Partnerships</u>	<u>Total Reporting Entity</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating Income (Loss)	\$ 1,189,860	\$ (169,895)	\$ 1,019,965
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and Amortization	889,948	435,251	1,325,199
Bad Debt Expense (Tenants)	3,250	6,100	9,350
Debt Forgiveness	-	(150,000)	(150,000)
Change in Tenant Accounts Receivable	(3,117)	(1,856)	(4,973)
Change in Accounts Receivable/Payable - Grants	39,441	-	39,441
Change in Other Accounts Receivable	(107,969)	-	(107,969)
Change in Prepaid Costs	(658)	635	(23)
Change in Accounts Payable - Operating	17,788	(39,456)	(21,668)
Change in Accrued Expenses	(85)	(792)	(877)
Change in Unearned Revenue - Grants	(219,530)	-	(219,530)
Change Deferred Outflows - Grants	(1,424,192)	-	(1,424,192)
Change Unearned Revenue - Insurance Proceeds	-	119,023	119,023
Change in Security Deposits Held	11,839	(485)	11,354
Change in Escrow Deposits Held	27,220	-	27,220
Net cash provided (used) by operating activities	<u>\$ 423,795</u>	<u>\$ 198,525</u>	<u>\$ 622,320</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, 2017

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 financial statements of Valley Creek Associates, LP and 335 Greenacre Road, LP (the Partnerships) have been prepared in conformity with generally accepted accounting principles (GAAP).

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 applicable pronouncements issued by the Financial Accounting Standards Board.

The Partnerships have applied all applicable pronouncements issued by the Financial Accounting Standards Board.

Cash, Cash Equivalents and Investments

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

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other receivables consist primarily of amounts due from HUD, affiliates and other housing authorities, including \$97,103 due from West Greenville II, LLC (an affiliated limited liability company) for operating and pre-development advances.

Prepaid Items and Lease Costs

Prepaid Items consist of payments made to vendors for services that will benefit future periods. Prepaid ground lease costs consist of a one-time lease payment made of \$179,456 by Valley Creek Associates, LP in April of 2003, that will allow for the use of land for a period of 99 years.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Prepaid Items and Lease Costs - Continued

As of December 31, 2017, accumulated amortization was \$26,741, and \$1,813 of amortization expense was incurred during the year. \$1,813 of amortization expense is projected each of next 5 years, and for each year through maturity of the lease. Other amortizable assets of the Partnerships consist of tax credit application fees of \$32,794, net of accumulated amortization of \$22,980, of which \$2,180 was expensed during 2017.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue. The Partnerships' unearned revenue balance includes \$119,023 of unexpended insurance proceeds to fund repairs by Valley Creek Associates, LP. Remaining unearned revenue balances consist of tenant prepaid rents.

Revenue Accounting Policies

Dwelling rent income, grants received for operations and other miscellaneous operating revenues are reported as operating income. HUD grants received for capital assets are reported as capital contributions. All other revenue is reported 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, Infrastructure and Improvements	5 - 30 years
Furniture and equipment	2 - 10 years

Authority management has assessed the carrying values of capital asset balances as of December 31, 2017, and as of September 10, 2018. No significant capital asset value impairments exist as of the noted dates.

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. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units, and Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

Greenville Redevelopment Corporation (GRDC/the Corporation, a Blended Component Unit) is a not-for-profit corporation, incorporated under the laws of the State of South Carolina for the purpose of facilitating residential development for the benefit of low-income persons in the Greenville community. The Directors of GRDC are the same individuals who serve on the Board of Commissioners for the Authority. Because the Corporation is controlled exclusively by the Authority, its financial balances and transactions are combined (blended) with those of the Authority for financial reporting purposes. This component unit's financial position and current year activity consists only of the balances and activity of each of its LLC's (described below) which are reported in the accompanying schedules in the 'Blended Component Unit' column. The entity's fiscal year end is December 31. Additional information concerning GRDC can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

GRDC IV, LLC (GRDC IV/the LLC, a Blended Component Unit) is a limited liability company organized for the purpose of acquiring a general partnership interest in Valley Creek Associates, LP (see below). Subsequent to the general partnership acquisition of Valley Creek Associates, LP in 2016; the LLC acquired a general partnership interest in 335 Greenacre Road, LP during 2017. GRDC (see above) is the sole member of the LLC. Because the LLC is controlled exclusively by the Authority (through the Corporation), its financial balances and transactions are combined (blended) with those of the Authority for financial reporting purposes. This component unit's financial position and current year activity is reported with the Corporation's financial balances and activity in the accompanying schedules in the 'Blended Component Unit' column. The entity's fiscal year end is December 31. Additional information concerning the LLC can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

GAH Scattered Sites, LLC (*a Blended Component Unit*) is a South Carolina limited liability company formed to own, modernize and operate the former Public Housing Program Scattered Sites dwelling properties under HUD's Rental Assistance Demonstration (RAD) Program. The Authority transferred ownership of certain Scattered Site properties to the LLC during 2017 prior to the RAD conversion contract date of September 1, 2017. GRDC (see above) is the sole member of the LLC. Because the LLC is controlled exclusively by the Authority (through the Corporation), its financial balances and transactions are combined (blended) with those of the Authority for financial reporting purposes. This component unit's financial position and current year activity is reported with the Corporation's financial balances and activity in the accompanying schedules in the 'Blended Component Unit' column. The entity's fiscal year end is December 31. Additional information concerning the LLC can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

GAH Acadia Hills, LLC (*a Blended Component Unit*) is a South Carolina limited liability company formed to own, modernize and operate part of the former Public Housing Program Arcadia Hills dwelling project under HUD's Rental Assistance Demonstration (RAD) Program. The Authority transferred ownership of the property to the LLC during 2017 prior to the RAD conversion contract date of December 1, 2017. GRDC (see above) is the sole member of the LLC. Because the LLC is controlled exclusively by the Authority (through the Corporation), its financial balances and transactions are combined (blended) with those of the Authority for financial reporting purposes. This component unit's financial position and current year activity is reported with the Corporation's financial balances and activity in the accompanying schedules in the 'Blended Component Unit' column. The entity's fiscal year end is December 31. Additional information concerning the LLC can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

GAH Ridgeway, LLC (*a Blended Component Unit*) is a South Carolina limited liability company formed to own, modernize and operate the former Public Housing Program Ridgeway dwelling project under HUD's Rental Assistance Demonstration (RAD) Program. The Authority transferred ownership of the property to the LLC during 2017 prior to the RAD conversion contract date of December 1, 2017. GRDC (see above) is the sole member of the LLC. Because the LLC is controlled exclusively by the Authority (through the Corporation), its financial balances and transactions are combined (blended) with those of the Authority for financial reporting purposes. This component unit's financial position and current year activity is reported with the Corporation's financial balances and activity in the accompanying schedules in the 'Blended Component Unit' column. The entity's fiscal year end is December 31. Additional information concerning the LLC can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

Valley Creek Associates, LP (VCA. LP *a Discrete Component Unit*) is a limited partnership formed in 2001 to acquire, own and operate a 48-unit rental property in Greenville known as Arcadia Hills Apartments. The project was developed and operated under the low-income housing tax credit program. In October of 2016, the former general partner sold its general partnership interest to GRDC IV, LLC (see above). Due to its fiscal dependence on the Authority (through the Authority's blended component units), and the existence of a financial benefit or burden relationship, the Partnership's financial balances and transactions are reported discretely with those of the Authority. VCALP's fiscal year end is December 31 and a copy of the Partnership's financial statements for the year ended December 31, 2017 may can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

335 Greenacre Road, LP (335 GR, LP a Discrete Component Unit) is a limited partnership formed to acquire, construct, own, finance and operate a 40-unit rental property in Greenville developed under the low-income housing tax credit program. In October of 2017, the former general partner sold its general partnership interest to GRDC IV, LLC (see above). Due to its fiscal dependence on the Authority (through the Authority's blended component units), and the existence of a financial benefit or burden relationship, the Partnership's financial balances and transaction, as of January 1, 2017, are reported discretely with those of the Authority. 335 GRLP's net position as of January 1, 2017 was \$2,029,115 and is reported as a Net Position Transfer-in, in the 'Partnerships' column of the of the Statement of Revenues, Expenses and Changes in Net Position. GRLP's fiscal year end is December 31 and a copy of the Partnership's financial statements for the year ended December 31, 2017 may can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

In connection with the general partnership interest sale referred to above, the former general partner forgave accumulated partnership management fees of \$150,000. This debt forgiveness is reported in the 'Partnerships' column of the Statement of Revenues, Expenses and Changes in Net Position under Other Revenue.

The financial balances and activity for both of the discrete component units noted above, are reported in the 'Partnerships' column of the financial statements and are referenced in the notes to the financial statements under the 'Partnerships' heading.

There are no other component units.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

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 consisted of cash held in interest bearing checking and money market accounts totaling \$6,304,058.

As of December 31, 2017, deposits with financial institutions were secured as follows:

	<u>Deposits in Bank</u>
Insured by FDIC	\$ 873,987
Collateralized with specific securities in the Authority name which are held by the financial institution	5,168,796
Uncollateralized	<u>134,258</u>
	<u>\$ 6,177,041</u>

GAH Scattered Sites, LLC held \$61,765 of unsecured deposits as of year-end. And GAH Arcadia Hills, LLC held \$72,493 of unsecured deposits as of year-end.

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.

The Partnerships

The Partnerships maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. It has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents. As of December 31, 2017, the Partnerships’ deposit balances were secured as follows:

	<u>VCA, LP Bank Deposits</u>	<u>335 GR, LP Bank Deposits</u>
Insured by FDIC	\$ 428,081	\$ 225,899
Uncollateralized	170,466	-
	<u>\$ 598,547</u>	<u>\$ 225,899</u>

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	<u>\$ 373,151</u>
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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 - 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 2017, the Authority made the required contributions in the amount of \$156,790, and there were no significant unpaid pension liabilities outstanding as of December 31, 2017.

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, 2017, 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	559,507	
Allowance against Accrued Interest	(559,507)	324,197
Due from 335 Greenacre Road, LP (Charleston Place)		
Note dated July 2006, matures December 2047	441,998	
Note dated December 2017, matures December 2022	75,000	
Allowance for Doubtful Accounts	(335,079)	
Accrued Interest	342,133	
Allowance against Accrued Interest	(342,133)	181,919
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	2,455,797	
Allowance against Accrued Interest	(2,455,797)	2,015,538
Due from Clark Street, LP		
Note dated April 2008, matures April 2053	1,627,194	
Note dated May 2008, matures May 2038	500,000	
Allowance for Doubtful Accounts	(1,733,958)	
Accrued Interest	879,980	
Allowance against Accrued Interest	(879,980)	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	1,770,556	
Allowance against Accrued Interest	(1,770,556)	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	1,180,446	
Allowance against Accrued Interest	(1,180,446)	521,663
Due from West Greenville II, LLC		
Note dated April 2016, matures November 2057	4,352,990	
\$1.35M Draw Note dated April 2016, matures November 2057	1,011,633	
Accrued Interest	196,624	
Allowance for Doubtful Accounts	(8,499)	5,552,748
Due from Integral Development, LLC		
Note dated May 2017, anticipated to mature December 2019	213,721	
Accrued Interest	-	
Allowance for Doubtful Accounts	-	213,721
Notes and Interest Receivable - Long Term		\$ 9,831,202

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – NOTES AND INTEREST RECEIVABLE - CONTINUED

Interest on the limited partnership notes is compounded annually at 1% 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 Leasehold Mortgages on the applicable projects.

The \$75,000 note receivable dated December 21, 2017 is not secured and was issued to fund an Initial Deposit Replacement Reserve (IDRR) for the limited partnerships RAD conversion. The note bears interest at 2% compounded annually and matures 'upon Disposition in accordance with the Partnership Agreement', which the borrower anticipates in December of 2022.

The \$213,721 pre-development loan dated May 18, 2017 with Integral Development, LLC was issued in the original amount of \$600,000 and bears interest at the 'lessor of the short-term AFR on the day of execution plus 3% (totaling 4.15% on May 18, 2017), or the maximum rate permitted by law'. The note matures 'upon the first disbursement of construction and/or permanent loan' which the borrower anticipates in December of 2019.

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 Borrower). The loan from the Authority to the Borrower was made to finance the acquisition and rehabilitation of an apartment complex in Greenville, South Carolina. The loan made by the Authority to the Borrower is secured by a first deed of trust in all the Borrower's property. The Authority's obligation under the bond issue is limited to payments received by the Authority from the Borrower, and the security pledged, from the Borrower. The principal balance of the loan owed by the Borrower to the Authority, and payable from the Authority on the bonds, was \$2,200,970 at December 31, 2017. 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – RESTRICTED CASH, INVESTMENTS AND NET POSITION

The Authority's restricted cash and investments consist of the following as of the end of the year:

Held for Housing Assistance Payments	\$ 118,169
FSS Escrow Deposits	145,764
Replacement Reserves	759,538
Section 3 Reserve	<u>6,364</u>
Total Restricted Cash and Investments	<u>\$ 1,029,835</u>

Because there is no off-setting liability for cash restricted for housing assistance payments, replacement reserves or the Section 3 reserve, \$884,071 is reported as restricted net position in the Statement of Net Position.

The Partnerships

The Partnerships' restricted cash and net position consist of the following as of the end of the year:

Operating reserve	\$ 140,951
Replacement reserves	276,957
Cash held for real estate taxes and insurance	<u>61,372</u>
Total Restricted Cash	<u>\$ 479,280</u>

NOTE L – 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 M – CAPITAL ASSETS

A summary of the Authority's capital asset balances and activity for the year ended December 31, 2017 is as follows:

	<u>BUSINESS ACTIVITIES</u>	<u>PUBLIC HOUSING & COCC</u>	<u>BLENDED COMPONENT UNITS</u>	<u>HOUSING CHOICE VOUCHERS</u>	<u>TOTAL</u>
Land	\$ 1,717,337	\$ 1,995,167	\$ 1,858,139	\$ -	\$ 5,570,643
Infrastructure	3,151,742	-	-	-	3,151,742
Buildings and Improvements	-	5,138,315	20,648,674	327,273	26,114,262
Furniture and Equipment	16,200	260,051	142,371	6,897	425,519
Construction in Progress	-	-	187,362	-	187,362
Less: Accumulated Depreciation	<u>(751,606)</u>	<u>(4,435,740)</u>	<u>(9,478,818)</u>	<u>(77,025)</u>	<u>(14,743,189)</u>
Total Capital Assets	<u>\$ 4,133,673</u>	<u>\$ 2,957,793</u>	<u>\$ 13,357,728</u>	<u>\$ 257,145</u>	<u>\$ 20,706,339</u>

	<u>January 1, 2017 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>December 31, 2017 Balance</u>
Land	\$ 5,643,914	\$ -	\$ (73,271)	\$ 5,570,643
Construction in Process	<u>472,930</u>	<u>187,362</u>	<u>(472,930)</u>	<u>187,362</u>
Total Assets not being Depreciated	6,116,844	187,362	(546,201)	5,758,005
Infrastructure	3,151,742	-	-	3,151,742
Buildings and Improvements	26,336,731	303,987	(526,456)	26,114,262
Furniture and Equipment	<u>494,332</u>	<u>44,770</u>	<u>(113,583)</u>	<u>425,519</u>
Total Capital Assets	36,099,649	536,119	(1,186,240)	35,449,528
Less Accumulated Depreciation Buildings, Infrastructure and Improvements	(14,120,736)	(846,675)	569,106	(14,398,305)
Furniture and Equipment	<u>(413,160)</u>	<u>(43,273)</u>	<u>111,549</u>	<u>(344,884)</u>
Net Book Value	<u>\$ 21,565,753</u>	<u>\$ (353,829)</u>	<u>\$ (505,585)</u>	<u>\$ 20,706,339</u>

During 2017, the Authority sold ten former Public Housing Program Scattered Sites properties. The historical cost of the properties was \$1,080,591 with \$577,039 of accumulated depreciation as of the date of sales. Other dispositions consisted of various equipment disposals.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – CAPITAL ASSETS - CONTINUED

The Partnerships

A summary of the Partnerships' capital asset balances and activity for the year ended December 31, 2017 is as follows:

	<u>VCA, LP</u>	<u>135 GR, LP</u>	<u>TOTAL</u>
Buildings and Improvements	\$ 6,444,498	\$ 4,855,816	\$ 11,300,314
Furniture and Equipment	-	101,746	101,746
Less: Accumulated Depreciation	<u>(3,431,109)</u>	<u>(2,089,423)</u>	<u>(5,520,532)</u>
Total Capital Assets	<u>\$ 3,013,389</u>	<u>\$ 2,868,139</u>	<u>\$ 5,881,528</u>

	<u>January 1, 2017 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>December 31, 2017 Balance</u>
Buildings and Improvements	\$ 11,300,314	\$ -	\$ -	\$ 11,300,314
Furniture and Equipment	<u>101,746</u>	<u>-</u>	<u>-</u>	<u>101,746</u>
Total Capital Assets	11,402,060	-	-	11,402,060
Less Accumulated Depreciation	<u>(5,089,274)</u>	<u>(431,258)</u>	<u>-</u>	<u>(5,520,532)</u>
Net Book Value	<u>\$ 6,312,786</u>	<u>\$ (431,258)</u>	<u>\$ -</u>	<u>\$ 5,881,528</u>

NOTE N – INVESTMENT IN PARTNERSHIP

In October of 2016, GRDC IV, LLC purchased a general partnership interest in Valley Creek Associates, LP for \$482,316. As of December 31, 2017, the value of GRDC IV, LLC's equity interest was \$481,988, valued using the equity method.

In October of 2017, GRDC IV, LLC purchased a general partnership interest in 335 Greenacre Road, LP for \$80,972.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – LONG-TERM LIABILITIES

A summary of the Authority's long-term liability activity for the year ended December 31, 2017 is as follows:

	<u>January 1, 2017 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2017 Balance</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 78,436	\$ 108,552	\$ 108,637	\$ 78,351	\$ 6,268
Escrow Deposits	118,544	27,220	-	145,764	96,605
Less: Current portion	(132,054)			(102,873)	
Long Term Liabilities	\$ 64,926			\$ 121,242	\$ 102,873

The Partnerships

Upon completion of the construction of Arcadia Hills Apartments, VCA, LP obtained permanent financing from Grandbridge Real Estate Capital, LLC in the amount of \$1,260,000. Monthly principal and interest payments of \$8,227 are to be made through 2024 with a balloon payment to be made in January of 2025. The loan is secured by a first deed of trust on the property and yields interest at 6.815%. As of December 31, 2017, the outstanding balance was \$1,050,317 and was reported on the Statement of Net Position net of unamortized debt issuance costs of \$8,466, at \$1,041,851. Accrued interest payable was \$6,125. Future debt service obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2018	\$ 27,849	\$ 70,875	\$ 1,022,468
2019	29,979	68,745	992,489
2020	32,087	66,637	960,402
2021	34,343	64,381	926,059
2022	36,758	61,966	889,301
2023 - 2025	889,301	120,423	-
	\$ 1,050,317	\$ 453,027	\$ -

VCA, LP's other long-term debt is summarized as follows:

Due to The HA of The City of Greenville

Promissory Note Payable, in the original amount of \$1,340,212, Secured by a leasehold interest in the project, matures December 2033

\$ 1,340,212

Less: Unamortized debt issuance costs

(9,004)

Accrued Interest, 3% compounded annually on principal

559,507 \$ 1,890,715

Other Debt, Non-current

\$ 1,890,715

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – LONG-TERM LIABILITIES - CONTINUED

The Partnerships - Continued

In April of 2003, VCA, LP obtained additional permanent financing from The Housing Authority of the City of Greenville in the amount of \$1,340,212. The principal balance and accrued interest are due and payable upon maturity in December of 2033. The loan is secured with a subordinate leasehold interest in the property and yields interest at 3%. As of December 31, 2017, the outstanding principal balance on the loan was \$1,340,212 and was reported on the Statement of Net Position net of unamortized debt issuance costs of \$9,004, at \$1,331,208. Accrued interest payable was \$559,507.

Total interest expense incurred on VCA, LP's loans during 2017 was \$118,887 and was reported in the Statement of Revenues, Expenses and Changes in Net Position along with amortization of debt issuance costs of \$2,509, for a total expense of \$121,396.

335 GR, LP's long-term debt is summarized as follows:

Due to the FHLB of Atlanta

Promissory Note Payable, in the original amount
of \$225,000, Secured by a subordinate interest in
the project, matures December 2020
Non-interest bearing

\$	225,000	
	-	\$ 225,000

Due to The HA of The City of Greenville

Promissory Note Payable, in the original amount
of \$441,998, Secured by a leasehold interest in
the project, matures December 2047
Accrued Interest, 5.5% compounded annually on principal

	441,998	
	342,133	784,131

Due to The HA of The City of Greenville

Promissory Note Payable, in the original amount
of \$75,000, Unsecured, anticipated
to mature December 2022
Accrued Interest, 2% compounded annually on principal

	75,000	
	-	75,000

Other Debt, Non-current

		\$ 1,084,131
--	--	---------------------

In July of 2006, 335 GR, LP obtained permanent financing from The Housing Authority of the City of Greenville in the amount of \$441,998. The principal balance and accrued interest are due and payable upon maturity in December of 2047. The loan is secured with the property and yields interest at 5.5%. As of December 31, 2017, the outstanding principal balance on the loan was \$441,998 and accrued interest payable was \$342,133.

335 GR, LP obtained a subordinate loan from BB&T as the member bank of the Federal Home Loan Bank of Atlanta on December 7, 2005, in the original amount of \$225,000. The loan does not bear interest and the Partnership is required to repay any portion of the loan that is not used in compliance with the terms of the Affordable Housing Program Agreement during a 15-year period, ending in December of 2020. As of December 31, 2017, the outstanding balance on the note was \$225,000.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – LONG-TERM LIABILITIES - CONTINUED

The Partnerships - Continued

335 GR, LP obtained financing from The Housing Authority of the City of Greenville on December 21, 2017, in the amount of \$75,000 to fund the Initial Deposit Replacement Reserve (IDRR) required by HUD as part of the Partnership's RAD conversion. The note is not secured and bears interest at 2% per annum, compounded annually. The loan matures 'upon Disposition in accordance with the Partnership Agreement', which the Partnership anticipates will occur in December of 2022. The outstanding principal balance was \$75,000 as of December 31, 2017.

Total interest expense incurred on 335 GR, LP's loans during 2017 was \$40,879.

A summary of the Partnerships' long-term liability activity for the year ended December 31, 2017 is as follows:

	<u>January 1, 2017 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2017 Balance</u>	<u>Due Within One Year</u>
Permanent Mortgage Payable	\$ 1,068,905	\$ -	\$ 27,054	\$ 1,041,851	\$ 27,849
Construction Loan Payable	-	-	-	-	-
Permanent Loan due to The HA of The City of Greenville	1,329,914	-	(1,294)	1,331,208	-
Permanent Loan due to The HA of The City of Greenville	441,998	-	-	441,998	-
Accrued Interest due to The HA of The City of Greenville	820,555	81,085	-	901,640	-
FHLBA Note Payable	225,000	-	-	225,000	-
IDRR Note Payable (Non-Capital)	-	75,000	-	75,000	-
Asset Management Fee Payable	51,854	6,921	-	58,775	-
Accrued Compensated Absences	-	5,243	-	5,243	-
Less: Current portion	(26,019)			(27,849)	
Long Term Liabilities	<u><u>\$ 3,912,207</u></u>			<u><u>\$ 4,052,866</u></u>	<u><u>\$ 27,849</u></u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – BLENDED COMPONENT UNITS

Condensed Statement of Net Position

	GRDC VI, LLC 12/31/2017	GAH Scattered Sites, LLC 12/31/2017	GAH Arcadia Hills, LLC 12/31/2017	GAH Ridgeway, LLC 12/31/2017	Total BCU's 12/31/2017
Assets					
Current and restricted assets	\$ -	\$ 3,359,697	\$ 479,134	\$ 383,159	\$ 4,221,990
Capital assets	-	6,852,518	5,060,057	1,445,153	13,357,728
Investment in partnerships	562,960	-	-	-	562,960
Other assets	18,012	-	-	-	18,012
Total assets	580,972	10,212,215	5,539,191	1,828,312	18,160,690
Liabilities					
Current liabilities	-	230,487	14,858	2,185	247,530
Non-current liabilities	-	45,647	18,350	537	64,534
Total liabilities	-	276,134	33,208	2,722	312,064
Net position					
Net investment in capital assets	-	6,852,518	5,060,057	1,445,153	13,357,728
Restricted net position	-	311,765	323,606	124,167	759,538
Unrestricted net position	580,972	2,771,798	122,320	256,270	3,731,360
Total net position	\$ 580,972	\$ 9,936,081	\$ 5,505,983	\$ 1,825,590	\$ 17,848,626

Condensed Statement of Revenues, Expenses and Changes in Net Position

	GRDC VI, LLC Year-ended 12/31/2017	GAH Scattered Sites, LLC Year-ended 12/31/2017	GAH Arcadia Hills, LLC Year-ended 12/31/2017	GAH Ridgeway, LLC Year-ended 12/31/2017	Total BCU's Year-ended 12/31/2017
Revenues					
Operating revenue	\$ -	\$ 87,011	\$ 11,061	\$ 1,503	\$ 99,575
Transfer from the Authority	80,972	175,675	10,175	1,734	268,556
Total revenues	80,972	262,686	21,236	3,237	368,131
Expenses					
Operating expenses	-	203,921	82,967	8,541	295,429
Depreciation	-	148,793	19,425	2,752	170,970
Transfer to the Authority	-	213,721	-	-	213,721
Total expenses	-	566,435	102,392	11,293	680,120
Increase (decrease) in net position	80,972	(303,749)	(81,156)	(8,056)	(311,989)
Beginning net position	500,000	-	-	-	500,000
Net position transfer-in	-	10,239,830	5,587,139	1,833,646	17,660,615
Ending net position	\$ 580,972	\$ 9,936,081	\$ 5,505,983	\$ 1,825,590	\$ 17,848,626

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – BLENDED COMPONENT UNITS - CONTINUED

Condensed Statement of Cash Flows

	GRDC VI, LLC Year-ended 12/31/2017	GAH Scattered Sites, LLC Year-ended 12/31/2017	GAH Arcadia Hills, LLC Year-ended 12/31/2017	GAH Ridgeway, LLC Year-ended 12/31/2017	Total BCU's Year-ended 12/31/2017
Cash flows from/(used by) operating activities					
From the Authority	\$ 80,972	\$ 175,675	\$ 10,175	\$ 1,734	\$ 268,556
To the Authority	-	(213,721)	-	-	(213,721)
Other operating activities	-	(106,362)	(66,583)	(6,857)	(179,802)
From (used by) all operating activities	80,972	(144,408)	(56,408)	(5,123)	(124,967)
Cash flows from/(used by) capital and related financing activities					
Purchases of assets	-	(108,138)	-	-	(108,138)
Proceeds from dispositions	-	515,302	-	-	515,302
From all capital activities	-	407,164	-	-	407,164
Used by all investing activities	(80,972)	-	-	-	(80,972)
Net increase (decrease) in cash and equivalents	-	262,756	(56,408)	(5,123)	201,225
Cash transferred-in from the Authority	-	3,083,526	530,865	386,599	4,000,990
Ending current and restricted cash	\$ -	\$ 3,346,282	\$ 474,457	\$ 381,476	\$ 4,202,215

NOTE Q – DIFFERENT REPORTING STANDARDS

The financial statements of the Partnerships (Discrete Component Units), condensed and presented below, were not prepared in accordance with Governmental Accounting Standards and were not audited in accordance with *Governmental Auditing Standards*. However, in these financial statements items have been presented in the same categories as the Housing Authority's Enterprise Fund.

If the financial statements of the Discrete Component Units were prepared in accordance with Governmental Accounting Standards, they would have adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement amends or supersedes the accounting and financial reporting guidance for certain items previously reported as assets or liabilities, including debt issuance costs. Under GASBS No. 65, debt issuance costs are to be reported as an expense as incurred, rather than capitalized and amortized over the life of the applicable debt. With financial statement preparation in accordance with Governmental Accounting Standards, including the adoption of GASBS No. 65, the Discrete Component Units' liabilities would have been \$17,470 more than (and net position less than) currently being reported in these financial statements.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE R – DISCRETE COMPONENT UNITS

Condensed Statement of Net Position

	Valley Creek Associates, LP 12/31/2017	335 Greenacre Road, LP 12/31/2017	Total DCU's 12/31/2017
Assets			
Current and restricted assets	\$ 521,098	\$ 195,981	\$ 717,079
Capital assets	3,013,389	2,868,139	5,881,528
Other assets	152,715	9,814	162,529
Total assets	3,687,202	3,073,934	6,761,136
Liabilities			
Current liabilities	184,786	20,118	204,904
Non-current liabilities due to the Authority	1,890,715	859,131	2,749,846
Non-current liabilities	1,014,002	283,775	1,297,777
Total liabilities	3,089,503	1,163,024	4,252,527
Net position			
Net investment in capital assets	640,330	2,201,141	2,841,471
Restricted net position	319,032	160,248	479,280
Unrestricted net position	(361,663)	(450,479)	(812,142)
Total net position	\$ 597,699	\$ 1,910,910	\$ 2,508,609

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Valley Creek Associates, LP Year-ended 12/31/2017	335 Greenacre Road, LP Year-ended 12/31/2017	Total DCU's Year-ended 12/31/2017
Revenues			
Operating revenue	\$ 385,373	\$ 145,964	\$ 531,337
Grants from the Authority	-	95,907	95,907
Other revenue	-	165,000	165,000
Investment income	158	-	158
Total revenues	385,531	406,871	792,402
Expenses			
Operating expenses	219,382	284,927	504,309
Management fees to the Authority	22,987	3,585	26,572
Depreciation	235,573	195,685	431,258
Interest Expense	80,513	-	80,513
Interest Expense to the Authority	40,883	40,879	81,762
Total expenses	599,338	525,076	1,124,414
Increase (decrease) in net position	(213,807)	(118,205)	(332,012)
Beginning net position	811,506	-	811,506
Net position transfer-in	-	2,029,115	2,029,115
Ending net position	\$ 597,699	\$ 1,910,910	\$ 2,508,609

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE R – DISCRETE COMPONENT UNITS - CONTINUED

Condensed Statement of Cash Flows

	Valley Creek Associates, LP Year-ended 12/31/2017	335 Greenacre Road, LP Year-ended 12/31/2017	Total DCU's Year-ended 12/31/2017
Cash flows from/(used by) operating activities			
From the Authority	\$ -	\$ 95,907	\$ 95,907
To the Authority	(22,987)	(3,585)	(26,572)
Other operating activities	239,701	(110,511)	129,190
From (used by) all operating activities	216,714	(18,189)	198,525
Cash flows from non-capital financing activities			
Advances from the Authority	-	75,000	75,000
From all non-capital financing activities	-	75,000	75,000
Cash flows used by capital and related financing activities			
Debt service payments	(106,950)	-	(106,950)
Used by all capital activities	(106,950)	-	(106,950)
Cash flows from investing activities			
Interest received on cash deposits	158	-	158
From all investing activities	158	-	158
Net increase (decrease) in cash and equivalents	109,922	56,811	166,733
Beginning current and restricted cash	409,427	128,931	538,358
Ending current and restricted cash	\$ 519,349	\$ 185,742	\$ 705,091

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE S – SUBSEQUENT EVENTS

In preparing the financial statements, Authority and Partnership management evaluated subsequent events through September 10, 2017, the date the financial statements were available to be issued.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2017

EXPENDITURES

Public Housing Expenditures	
Total CFDA Number 14.850a	<u>\$ 2,006,382</u>
Resident Opportunity and Supportive Services	
Total CFDA Number 14.870	<u>215,008</u>
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	<u>18,751,928</u>
Public Housing Capital Fund Program	
Total CFDA Number 14.872	<u>2,849,579</u>
Total HUD Expenditures	<u>23,822,897</u>
TOTAL FEDERAL EXPENDITURES	<u><u>\$ 23,822,897</u></u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimis Indirect Cost Rate* allowed under the Uniform Guidance.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2017

	SC16P00450115	SC16P00450116	SC16R00450111
Funds Approved	\$ 837,314	\$ 912,392	\$ 131,839
Funds Expended	<u>837,314</u>	<u>912,392</u>	<u>131,839</u>
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 837,314	\$ 912,392	\$ 131,839
Funds Expended	<u>837,314</u>	<u>912,392</u>	<u>131,839</u>
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	SC16R00450112	SC16R00450115	SC16R00450210
Funds Approved	\$ 279,068	\$ 56,717	\$ 458,963
Funds Expended	<u>279,068</u>	<u>56,717</u>	<u>458,963</u>
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 279,068	\$ 56,717	\$ 458,963
Funds Expended	<u>279,068</u>	<u>56,717</u>	<u>458,963</u>
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	SC16R00450213	SC16R00450214	
Funds Approved	\$ 228,073	\$ 242,169	
Funds Expended	<u>228,073</u>	<u>242,169</u>	
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	
Funds Advanced	\$ 228,073	\$ 242,169	
Funds Expended	<u>228,073</u>	<u>242,169</u>	
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	

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

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2017

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
111 Cash - Unrestricted	\$ 301,223	\$ -	\$ 189,094	\$ 3,351,826	\$ 1,170,407	\$ 208,044	\$ -	\$ 5,220,594	\$ 85,363	\$ 5,305,957
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	-	118,169	808,697	6,364	-	-	933,230	479,280	1,412,510
114 Cash - Tenant Security Deposits	11,937	-	-	41,692	-	-	-	53,629	21,425	75,054
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	119,023	119,023
100 Total Cash	\$ 313,160	\$ -	\$ 307,263	\$ 4,202,215	\$ 1,176,771	\$ 208,044	\$ -	\$ 6,207,453	\$ 705,091	\$ 6,912,544
121 Accounts Receivable - PHA Projects	-	-	338	-	-	-	-	338	-	338
122 Accounts Receivable - HUD Other Projects	-	4,497	-	-	-	-	-	4,497	-	4,497
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	65,585	-	27,379	-	100	31,518	-	124,582	-	124,582
126 Accounts Receivable - Tenants	417	-	-	1,113	-	-	-	1,530	5,479	7,009
126.1 Allowance for Doubtful Accounts - Tenants	(50)	-	-	-	-	-	-	(50)	(913)	(963)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 65,952	\$ 4,497	\$ 27,717	\$ 1,113	\$ 100	\$ 31,518	\$ -	\$ 130,897	\$ 4,566	\$ 135,463
131 Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	96,605	-	-	-	-	96,605	-	96,605
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	4,238	-	2,205	18,662	-	44,982	-	70,087	7,422	77,509
143 Inventories	-	-	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	4,497	(4,497)	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
150 Total Current Assets	\$ 383,350	\$ 4,497	\$ 433,790	\$ 4,221,990	\$ 1,176,871	\$ 289,041	\$ (4,497)	\$ 6,505,042	\$ 717,079	\$ 7,222,121
161 Land	1,995,167	-	-	1,858,139	1,717,337	-	-	5,570,643	-	5,570,643
162 Buildings	4,353,343	-	-	20,848,674	-	672,144	-	25,674,161	10,615,529	36,289,690

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2017

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-	101,746	101,746
164 Furniture, Equipment & Machinery - Administration	254,265	-	6,897	142,371	16,200	5,786	-	425,519	-	425,519
165 Leasehold Improvements	-	-	327,273	-	-	112,828	-	440,101	684,785	1,124,886
166 Accumulated Depreciation	(4,294,782)	-	(77,025)	(9,478,816)	(751,606)	(140,958)	-	(14,743,169)	(5,520,532)	(20,263,721)
167 Construction in Progress	-	-	-	187,362	-	-	-	187,362	-	187,362
168 Infrastructure	-	-	-	-	3,151,742	-	-	3,151,742	-	3,151,742
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 2,307,993	\$ -	\$ 257,145	\$ 13,357,728	\$ 4,133,673	\$ 649,800	\$ -	\$ 20,706,339	\$ 5,881,528	\$ 26,587,867
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	9,831,202	-	-	9,831,202	-	9,831,202
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	18,012	-	-	-	18,012	162,529	180,541
176 Investments in Joint Ventures	-	-	-	562,960	-	-	-	562,960	-	562,960
180 Total Non-Current Assets	\$ 2,307,993	\$ -	\$ 257,145	\$ 13,938,700	\$ 13,964,875	\$ 649,800	\$ -	\$ 31,118,513	\$ 6,044,057	\$ 37,162,570
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
280 Total Assets and Deferred Outflow of Resources	\$ 2,691,343	\$ 4,497	\$ 690,935	\$ 18,160,690	\$ 15,141,746	\$ 938,841	\$ (4,497)	\$ 37,623,555	\$ 6,761,136	\$ 44,384,691
311 Bank Overdraft	-	-	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	13,414	-	-	79,714	7,512	7,009	-	125,085	5,456	131,541
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-	-
322 Accrued Compensated Absences - Current Portion	567	-	976	1,337	1,746	1,642	-	6,268	456	6,724
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	-	-	6,125	6,125
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	11,937	-	-	41,692	-	-	-	53,629	21,425	75,054
342 Unearned Revenue	-	-	-	5,159	-	-	-	5,159	121,350	126,509

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2017

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-	27,849	27,849
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	170,879	-	-	-	-	170,879	-	170,879
346 Accrued Liabilities - Other	-	-	-	119,628	-	-	-	119,628	17,000	136,628
347 Inter Program - Due To	-	4,497	-	-	-	-	(4,497)	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	\$ 25,918	\$ 4,497	\$ 190,291	\$ 247,530	\$ 9,258	\$ 8,651	\$ (4,497)	\$ 481,649	\$ 199,661	\$ 681,309
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-	3,012,208	3,012,208
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	49,159	-	-	-	49,159	960,415	1,009,574
354 Accrued Compensated Absences - Non Current	6,520	-	11,220	15,375	20,084	18,884	-	72,083	5,243	77,326
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	75,000	75,000
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 6,520	\$ -	\$ 11,220	\$ 64,534	\$ 20,084	\$ 18,884	\$ -	\$ 121,242	\$ 4,052,866	\$ 4,174,108
300 Total Liabilities	\$ 32,438	\$ 4,497	\$ 201,511	\$ 312,064	\$ 29,342	\$ 27,535	\$ (4,497)	\$ 602,890	\$ 4,252,527	\$ 4,855,417
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	2,307,993	-	257,145	13,957,728	4,133,673	649,800	-	20,706,339	2,841,471	23,547,810
511.4 Restricted Net Position	-	-	118,169	759,538	6,364	-	-	884,071	479,280	1,363,351
512.4 Unrestricted Net Position	350,912	-	114,110	3,731,360	10,972,367	261,506	-	15,430,255	(812,142)	14,618,113
513 Total Equity - Net Assets / Position	\$ 2,658,905	\$ -	\$ 489,424	\$ 17,848,626	\$ 15,112,404	\$ 911,306	\$ -	\$ 37,020,665	\$ 2,508,609	\$ 39,529,274
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 2,691,343	\$ 4,497	\$ 690,935	\$ 18,160,690	\$ 15,141,746	\$ 938,841	\$ (4,497)	\$ 37,623,555	\$ 6,761,136	\$ 44,384,691

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2017

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
70300 Net Tenant Rental Revenue	\$ 444,917	\$ -	\$ -	\$ 82,090	\$ -	\$ -	\$ -	\$ 527,007	\$ 619,076	1,146,083
70400 Tenant Revenue - Other	13,287	-	-	57,35	-	-	-	19,022	7,021	26,043
70500 Total Tenant Revenue	\$ 458,204	\$ -	\$ -	\$ 87,825	\$ -	\$ -	\$ -	\$ 546,029	\$ 626,097	\$ 1,172,126
70600 HUD PHA Operating Grants	4,742,547	215,008	18,751,928	-	-	-	-	23,709,483	-	23,709,483
70610 Capital Grants	113,414	-	-	-	-	-	-	113,414	-	113,414
70710 Management Fee	-	-	-	-	-	539,118	(539,118)	-	-	-
70720 Asset Management Fee	-	-	-	-	-	25,750	(25,750)	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	143,213	(143,213)	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 4,855,961	\$ 215,008	\$ 18,751,928	\$ -	\$ -	\$ 708,081	\$ (708,081)	\$ 23,822,897	\$ -	\$ 23,822,897
70800 Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	-	-	-	-	788	-	-	788	-	788
71200 Mortgage Interest Income	-	-	-	-	110,976	-	-	110,976	-	110,976
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	13,038	-	-	-	-	13,038	-	13,038
71500 Other Revenue	2,276	-	9,140	-	411,114	54,894	(74,635)	402,789	166,147	568,936
71600 Gain or Loss on Sale of Capital Assets	(2,033)	-	-	11,750	-	-	-	9,717	-	9,717
72000 Investment Income - Restricted	-	-	38	-	-	-	-	38	158	196
70000 Total Revenue	\$ 5,314,408	\$ 215,008	\$ 18,774,144	\$ 99,575	\$ 522,878	\$ 762,975	\$ (782,716)	\$ 24,906,272	\$ 792,402	\$ 25,698,674
91100 Administrative Salaries	177,427	-	514,006	29,783	88,409	327,266	-	1,136,891	57,080	1,193,971
91200 Auditing Fees	16,750	-	18,750	-	2,000	2,000	-	39,500	18,800	58,300
91300 Management Fee	338,958	-	200,160	19,741	-	-	(558,859)	-	45,527	45,527
91310 Book-keeping Fee	18,113	-	125,100	-	-	-	(143,213)	-	-	-
91400 Advertising and Marketing	1,389	-	11,938	216	14,485	-	-	28,028	93	28,121
91500 Employee Benefit Contributions - Administrative	56,803	-	172,363	8,512	21,270	83,238	-	342,186	17,919	360,105
91600 Office Expenses	96,234	-	199,659	6,327	24,378	230,477	(54,894)	502,181	17,502	519,683
91700 Legal Expense	13,699	-	853	65,650	95,319	13,008	-	188,529	193	188,722
91800 Travel	1,702	-	1,043	151	-	8,715	-	11,611	755	12,366

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2017

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900 Other	96,865	-	307,712	6,556	75,136	140,987	-	627,256	24,437	651,693
91000 Total Operating - Administrative	\$ 817,940	\$ -	\$ 1,551,584	\$ 136,936	\$ 320,997	\$ 805,691	\$ (756,966)	\$ 2,876,182	\$ 182,306	\$ 3,058,488
92000 Asset Management Fee	\$ 25,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,750)	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	20,229	153,431	-	-	-	-	-	173,660	-	173,660
92200 Relocation Costs	159,984	-	-	-	-	-	-	159,984	-	159,984
92300 Employee Benefit Contributions - Tenant Services	4,844	48,547	-	-	-	-	-	53,391	-	53,391
92400 Tenant Services - Other	22,450	13,030	-	246	2,935	-	-	38,661	309	38,970
92500 Total Tenant Services	\$ 207,507	\$ 215,008	\$ -	\$ 246	\$ 2,935	\$ -	\$ -	\$ 425,696	\$ 309	\$ 426,005
93100 Water	23,599	-	-	2,983	-	658	-	27,240	15,227	42,467
93200 Electricity	74,493	-	-	5,920	-	5,454	-	85,867	15,970	101,837
93300 Gas	11,828	-	-	297	-	942	-	13,067	-	13,067
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	1,956	-	-	-	-	-	-	-	1,459	1,459
93000 Total Utilities	\$ 111,876	\$ -	\$ -	\$ 29,035	\$ -	\$ 7,804	\$ -	\$ 148,715	\$ 32,656	\$ 181,371
94100 Ordinary Maintenance and Operations - Labor	168,547	-	-	14,807	-	-	-	183,354	33,592	216,946
94200 Ordinary Maintenance and Operations - Materials and Other	95,894	-	-	25,004	-	3,519	-	124,417	17,988	142,405
94300 Ordinary Maintenance and Operations Contracts	266,305	-	-	39,597	1,220	20,054	-	327,176	133,284	460,460
94500 Employee Benefit Contributions - Ordinary Maintenance	53,967	-	-	6,208	-	-	-	60,175	10,073	70,248
94000 Total Maintenance	\$ 584,713	\$ -	\$ -	\$ 85,616	\$ 1,220	\$ 23,573	\$ -	\$ 695,122	\$ 194,937	\$ 890,059
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	56,010	-	-	-	-	-	-	56,010	-	56,010
95300 Protective Services - Other	-	-	-	-	-	-	-	-	1,211	1,211
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	\$ 56,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,010	\$ 1,211	\$ 57,221

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Greenville, SC

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2017

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
96110 Property Insurance	26,751	-	1,383	6,935	-	1,383	-	36,472	34,887	71,359
96120 Liability Insurance	6,521	-	2,388	963	-	1,441	-	11,313	514	11,827
96130 Workmen's Compensation	10,559	-	11,633	1,508	-	8,435	-	32,136	-	32,136
96140 All Other Insurance	941	-	-	138	-	11,304	-	12,383	-	12,383
96100 Total Insurance Premiums	\$ 44,772	\$ -	\$ 15,414	\$ 9,545	\$ -	\$ 22,573	\$ -	\$ 92,304	\$ 35,401	\$ 127,705
96200 Other General Expenses	819,388	-	8,218	30,177	1,613	-	-	859,396	43,024	902,420
96210 Compensated Absences	9,422	-	44,686	3,874	22,102	28,458	-	108,552	7,885	116,437
96300 Payments in Lieu of Taxes	-	-	-	-	4,269	-	-	4,269	32,051	36,320
96400 Bad debt - Tenant Rents	3,250	-	-	-	-	-	-	3,250	1,101	4,351
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 832,060	\$ -	\$ 52,914	\$ 34,051	\$ 27,984	\$ 28,458	\$ -	\$ 975,467	\$ 84,061	\$ 1,059,528
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	2,509	2,509
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,275	\$ 162,275
96900 Total Operating Expenses	\$ 2,680,628	\$ 215,008	\$ 1,619,912	\$ 295,429	\$ 353,136	\$ 888,099	\$ (782,716)	\$ 5,269,496	\$ 693,156	\$ 5,962,652
97000 Excess of Operating Revenue over Operating Expenses	\$ 2,633,780	\$ -	\$ 17,154,232	\$ (195,854)	\$ 169,742	\$ (125,124)	\$ -	\$ 19,636,776	\$ 99,246	\$ 19,736,022
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	17,322,035	-	-	-	-	17,322,035	-	17,322,035
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400 Depreciation Expense	576,565	-	11,186	170,970	105,058	26,169	-	889,948	431,258	1,321,206
97500 Fraud Losses	-	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2017

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-
90000 Total Expenses	\$ 3,257,193	\$ 215,008	\$ 18,953,133	\$ 466,339	\$ 458,194	\$ 914,288	\$ (782,716)	\$ 23,481,479	\$ 1,124,414	\$ 24,605,893
10010 Operating Transfer In	2,580,293	-	-	80,972	213,721	-	(2,874,986)	-	-	-
10020 Operating transfer Out	(2,580,293)	-	-	(213,721)	(80,972)	-	2,874,986	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	1,507,519	-	-	-	-	-	(1,507,519)	-	-	-
10092 Inter Project Excess Cash Transfer Out	(1,507,519)	-	-	-	-	-	1,507,519	-	-	-
10093 Transfers between Program and Project - In	7,800	-	-	187,584	965,288	-	(1,160,672)	-	-	-
10094 Transfers between Project and Program - Out	(1,152,872)	-	-	-	(7,800)	-	1,160,672	-	-	-
10100 Total Other financing Sources (Uses)	\$ (1,145,072)	\$ -	\$ -	\$ 54,835	\$ 1,090,237	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 912,143	\$ -	\$ (178,989)	\$ (311,989)	\$ 1,154,921	\$ (151,293)	\$ -	\$ 1,424,793	\$ (332,012)	\$ 1,092,781
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 19,407,377	\$ -	\$ 668,413	\$ 500,000	\$ 13,957,483	\$ 1,062,599	\$ -	\$ 35,595,872	\$ 811,506	\$ 36,407,378
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(17,660,615)	-	-	17,660,615	-	-	-	-	2,029,115	2,029,115
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	-	-	-	-	-	-	-	-	-	-

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Fiscal Year

End: 12/31/2017

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ 371,255	\$ -	\$ -	\$ -	-	\$ 371,255	\$ -	\$ 371,255
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ 118,169	\$ -	\$ -	\$ -	-	\$ 118,169	\$ -	\$ 118,169
11190 Unit Months Available	4,045	-	33,360	386	-	-	-	37,791	1,056	38,847
11210 Number of Unit Months Leased	3,944	-	33,135	385	-	-	-	37,464	1,020	38,484
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
11620 Building Purchases	113,414	-	-	-	-	-	-	113,414	-	113,414
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	896,633	-	-	-	-	-	-	896,633	-	896,633

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2017

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified? Yes X No

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

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

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified? Yes X No

Are significant deficiencies that are not considered
to be material weaknesses identified? Yes X 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 X No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Public Housing Program	14.850a
Capital Fund Program	14.872

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

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

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2017

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