

**THE HOUSING AUTHORITY OF
THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS & SUPPLEMENTAL DATA
YEAR ENDED DECEMBER 31, 2018**

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, 2018, 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, 2018, 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 July 25, 2019 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
July 25, 2019

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, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 25, 2019.

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.

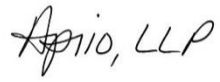
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during our audit we did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

Birmingham, Alabama

July 25, 2019

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, 2018. 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, 2018.

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
July 25, 2019

**THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
GREENVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2018**

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 \$3.1 million in 2018. Net Position was \$37 million and \$40.1 million for 2017 and 2018, respectively.
- Revenues increased \$2.6 million during 2018, and were \$24.9 million and \$27.5 million for 2017 and 2018, respectively.
- The total expenses of all Authority programs increased \$.9 million. Total expenses were \$23.5 million and \$24.4 million for 2017 and 2018, 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 has been 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
- PIH Family Self Sufficiency 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>2018</u>	<u>2017</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current & Restricted Assets	\$ 6,429,647	\$ 6,505,042	\$ (75,395)
Capital Assets	19,670,766	20,706,339	(1,035,573)
Other Assets	14,501,277	10,412,174	4,089,103
Deferred Outflows of Resource	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 40,601,690</u>	<u>\$ 37,623,555</u>	<u>\$ 2,978,135</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 401,412	\$ 481,648	\$ (80,236)
Non-Current Liabilities	74,752	121,242	(46,490)
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Outflows of Resources	<u>\$ 476,164</u>	<u>\$ 602,890</u>	<u>\$ (126,726)</u>
Net Position:			
Net Investment in Capital Assets	\$ 19,670,766	\$ 20,706,339	\$ (1,035,573)
Restricted Net Position	2,400,071	884,071	1,516,000
Unrestricted Net Position	<u>18,054,689</u>	<u>15,430,255</u>	<u>2,624,434</u>
Total Net Position	<u>\$ 40,125,526</u>	<u>\$ 37,020,665</u>	<u>\$ 3,104,861</u>

Major Factors Affecting the Condensed Statement of Net Position

During 2018, capital assets decreased \$1 million as a result of a) the sale of the former Public Housing property known as the Garden Apartments to 80 Thruston Street, LLC, a local affiliate; and b) depreciation of \$.9 million exceeding asset additions of \$.2 million. See Table 5 for a summary of the change in capital assets. The Authority received a \$3.5 Promissory Note on the sale of the Garden Apartments. This Promissory Note and additional advances on other Notes resulted the increase of other assets.

Funds ear-marked during 2018 for future development resulted in the \$1.5 million increase of restricted net position. An analysis of the change of 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, 2017	\$ 15,430,255
Results of Operations	(91,882)
Proceeds Received from the Disposition of Capital Assets	97,150
Promissory Note Received from the Disposition of Capital Assets	3,455,000
Capital Asset Purchases from Operations	(192,954)
Investment Income	9,339
Depreciation Expense	863,781
Change in Restricted Net Position	<u>(1,516,000)</u>
Unrestricted Net Position, December 31, 2018	<u><u>\$ 18,054,689</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.

	2018	2017	Variance
Revenue:			
Tenant Rental Revenue	\$ 516,981	\$ 546,029	\$ (29,048)
Operating Grants	23,108,412	23,709,483	(601,071)
Capital Contributions	-	113,414	(113,414)
Investment Income	9,339	111,802	(102,463)
Gain on the Sale of Capital Assets	3,187,404	9,717	3,177,687
Other Revenue	702,559	415,827	286,732
Total Revenue	\$ 27,524,695	\$ 24,906,272	\$ 2,618,423
Expenses:			
Administrative Expenses	\$ 2,433,249	\$ 2,876,182	\$ (442,933)
Tenant Services	287,043	425,696	(138,653)
Utilities	95,447	148,715	(53,268)
Maintenance & Operations	450,203	695,122	(244,919)
Protective Services	52,169	56,010	(3,841)
General Expense	791,334	1,067,771	(276,437)
Housing Assistance Payments	19,446,608	17,322,035	2,124,573
Depreciation	863,781	889,948	(26,167)
Total Expenses	\$ 24,419,834	\$ 23,481,479	\$ 938,355
Excess Revenue Over Expense	\$ 3,104,861	\$ 1,424,793	\$ 1,680,068

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

Operating Grants decreased in 2018 due to a significant reduction of subsidies recognized under the Public Housing and Capital Fund Programs due to owned-housing leasing reductions, partially off-set by an increase of subsidies recognized under the Section 8 Housing Choice Voucher Program to accommodate additional voucher leasing. Capital contributions also decreased as the Authority's remaining Public Housing property was sold during the year. The 2018 gain on the disposition of capital assets was a result of the aforementioned sale of the Garden Apartments. A significant portion of the investment income reported in the 2017 financial statements resulted from interest accruals on promissory notes receivable. There were no significant interest revenues realized from promissory notes during 2018. Other revenue increased due mainly to the recognition of development fee revenues in connection with the construction of mixed finance low income housing properties owned by affiliates in Greenville.

Administrative costs continued its downward trend from 2017 due to reductions of consulting and legal costs, and other miscellaneous office expenses. Tenant services expenses decreased due primarily to significant tenant relocation costs incurred during 2017 as a result of the 2017 Rental Assistance Demonstration Program (RAD) conversions. Maintenance personnel, supplies, and external contract expenditures decreased as owned-housing leasing declined. General expenses decreased due mainly to pre-development costs incurred during 2017 in connection with the 2017 RAD conversions. Housing assistance payments increased due to increased leasing and fair market rental rates.

CAPITAL ASSETS

As of year-end, the Authority had \$19.7 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$1 million or 5% from the end of last year.

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

	<u>2018</u>	<u>2017</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 5,555,989	\$ 5,570,643	\$ (14,654)	0%
Buildings & Improvements	25,091,972	29,266,004	(4,174,032)	-14%
Furniture & Equipment	383,810	425,519	(41,709)	-10%
Construction in Process	-	187,362	(187,362)	-100%
Accumulated Depreciation	<u>(11,361,005)</u>	<u>(14,743,189)</u>	<u>3,382,184</u>	<u>-23%</u>
Net Capital Assets	<u>\$ 19,670,766</u>	<u>\$ 20,706,339</u>	<u>\$ (1,035,573)</u>	<u>-5%</u>

TABLE 5
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, January 1, 2018	\$ 20,706,339
Additions:	
Buildings & Improvements	192,954
Dispositions, Net of Depreciation	(364,746)
Depreciation Expense	<u>(863,781)</u>
Ending Balance, December 31, 2018	<u>\$ 19,670,766</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, 2018. 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, 2018

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	\$ 3,287,439	\$ 255,677	\$ 3,543,116
Accounts Receivable	169,215	16,453	185,668
Notes Receivable - Current	335,655	-	335,655
Prepaid Costs	83,923	50,719	134,642
Total Current Assets	<u>3,876,232</u>	<u>322,849</u>	<u>4,199,081</u>
<u>Restricted Assets</u>			
Cash and Cash Equivalents	2,403,343	554,178	2,957,521
Investments	150,072	-	150,072
Total Restricted Assets	<u>2,553,415</u>	<u>554,178</u>	<u>3,107,593</u>
<u>Capital Assets</u>			
Land	5,555,989	-	5,555,989
Buildings and Improvements	25,091,972	12,822,419	37,914,391
Furniture & Equipment	383,810	213,934	597,744
	<u>31,031,771</u>	<u>13,036,353</u>	<u>44,068,124</u>
(Less): Accumulated Depreciation	<u>(11,361,005)</u>	<u>(6,265,797)</u>	<u>(17,626,802)</u>
Net Capital Assets	<u>19,670,766</u>	<u>6,770,556</u>	<u>26,441,322</u>
<u>Other Assets</u>			
Notes and Interest Receivable	13,874,303	-	13,874,303
Other Non-current Receivable	-	181,266	181,266
Prepaid Lease Costs	-	150,902	150,902
Investment in Partnerships	608,962	-	608,962
Other Non-current Assets	18,012	-	18,012
Total Other Assets	<u>14,501,277</u>	<u>332,168</u>	<u>14,833,445</u>
Total Assets	<u>40,601,690</u>	<u>7,979,751</u>	<u>48,581,441</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 40,601,690</u>	<u>\$ 7,979,751</u>	<u>\$ 48,581,441</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2018

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	\$ 109,970	\$ 143,093	\$ 253,063
Accrued Compensated Absences	7,142	472	7,614
Accrued Interest Payable	-	14,398	14,398
Tenant Security Deposits	50,493	45,707	96,200
Unearned Revenue	80,463	124,478	204,941
Current Portion of Capital Debt	-	63,351	63,351
Escrow Liabilities	153,344	-	153,344
Total Current Liabilities	<u>401,412</u>	<u>391,499</u>	<u>792,911</u>
<u>Long Term Liabilities</u>			
Long Term Capital Debt	-	7,175,337	7,175,337
Long Term Non-capital Debt	-	75,000	75,000
Accrued Interest Payable, Non-current	-	3,276,960	3,276,960
Accrued Compensated Absences	74,752	5,447	80,199
Other Non-current Liabilities	-	65,904	65,904
Total Long Term Liabilities	<u>74,752</u>	<u>10,598,648</u>	<u>10,673,400</u>
Total Liabilities	<u>476,164</u>	<u>10,990,147</u>	<u>11,466,311</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>476,164</u>	<u>10,990,147</u>	<u>11,466,311</u>
<u>Net Position</u>			
Net Investment in Capital Assets	19,670,766	(468,132)	19,202,634
Restricted Net Position	2,400,071	554,178	2,954,249
Unrestricted Net Position	<u>18,054,689</u>	<u>(3,096,442)</u>	<u>14,958,247</u>
Total Net Position	<u>40,125,526</u>	<u>(3,010,396)</u>	<u>37,115,130</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 40,601,690</u>	<u>\$ 7,979,751</u>	<u>\$ 48,581,441</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, 2018

	<u>Enterprise Fund</u>	<u>The Partnerships</u>	<u>Total Reporting Entity</u>
<u>Operating Revenues</u>			
Dwelling Rent	\$ 516,981	\$ 1,236,949	\$ 1,753,930
Operating Grants	23,108,412	-	23,108,412
Other Revenue	702,559	8,998	711,557
Total Operating Revenues	<u>24,327,952</u>	<u>1,245,947</u>	<u>25,573,899</u>
<u>Operating Expenses</u>			
Administrative	2,433,249	375,259	2,808,508
Tenant Services	287,043	3,068	290,111
Utilities	95,447	92,630	188,077
Maintenance and Operations	450,203	422,508	872,711
Protective Services	52,169	11,721	63,890
General Expense	791,334	164,347	955,681
Housing Assistance Payments	19,446,608	-	19,446,608
Depreciation	863,781	462,350	1,326,131
Total Operating Expenses	<u>24,419,834</u>	<u>1,531,883</u>	<u>25,951,717</u>
Operating Income (Loss)	<u>(91,882)</u>	<u>(285,936)</u>	<u>(377,818)</u>
<u>Non-Operating Revenues (Expenses)</u>			
Investment Income	330	374	704
Investment Income on Notes Receivable	9,009	-	9,009
Gain on the Disposition of Capital Assets	3,187,404	-	3,187,404
Interest Expense	-	(547,128)	(547,128)
Total Non-Operating Rev/(Exp)	<u>3,196,743</u>	<u>(546,754)</u>	<u>2,649,989</u>
Increase (decrease) before Capital Contributions	<u>3,104,861</u>	<u>(832,690)</u>	<u>2,272,171</u>
Capital Contributions - Partner	<u>-</u>	<u>46,002</u>	<u>46,002</u>
Increase (Decrease) in Net Position	3,104,861	(786,688)	2,318,173
Net Position, Beginning	37,020,665	2,508,609	39,529,274
Net Position Transfers	-	(4,732,317)	(4,732,317)
Net Position, Ending	<u>\$ 40,125,526</u>	<u>\$ (3,010,396)</u>	<u>\$ 37,115,130</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, 2018

	<u>Enterprise Fund</u>	<u>The Partnerships</u>	<u>Total Reporting Entity</u>
<u>Cash flows from operating activities:</u>			
Cash Received from Dwelling Rent	\$ 506,095	\$ 554,579	\$ 1,060,674
Cash Received from Operating Grants	23,074,377	-	23,074,377
Operating Grant Receipts from The HACG	-	637,813	637,813
Cash Received from Other Sources	724,780	37,418	762,198
Management Fees from the Partnerships	47,744	-	47,744
Cash Payments for Salaries and Benefits	(1,820,400)	(233,192)	(2,053,592)
Cash Payments to Vendors and Landlords	(21,114,402)	(786,374)	(21,900,776)
Grants paid to the Partnerships	(637,813)	-	(637,813)
Management Fees paid to The HACG	-	(47,744)	(47,744)
Net cash provided (used) by operating activities	<u>780,381</u>	<u>162,500</u>	<u>942,881</u>
<u>Cash flows from non-capital financing activities:</u>			
Payments on Advances from Limited Partner	-	(249,114)	(249,114)
Contributions from The HACG	-	46,002	46,002
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(183,618)</u>	<u>(183,618)</u>
<u>Cash flows from capital and related financing activities:</u>			
Capital Outlay	(380,316)	(99,993)	(480,309)
Proceeds from the issuance of Capital Debt	-	280,849	280,849
Principal, Interest and Fees paid on Capital Debt	-	(263,150)	(263,150)
Proceeds Received on Dispositions	97,150	-	97,150
Net cash provided (used) by capital & related financing activities	<u>(283,166)</u>	<u>(82,294)</u>	<u>(365,460)</u>
<u>Cash flows from investing activities:</u>			
Interest earned from cash and cash equivalents	330	374	704
Transfer to Investments	(53,467)	-	(53,467)
Advances on Notes Receivable	(914,747)	-	(914,747)
Contribution to 50 Ramsey Court, LP	(46,002)	-	(46,002)
Net cash provided (used) by investing activities	<u>(1,013,886)</u>	<u>374</u>	<u>(1,013,512)</u>
Net decrease in cash and cash equivalents	(516,671)	(103,038)	(619,709)
Total cash and cash equivalents, beginning of year	<u>6,207,453</u>	<u>912,893</u>	<u>7,120,346</u>
Total cash and cash equivalents, end of year	<u>\$ 5,690,782</u>	<u>\$ 809,855</u>	<u>\$ 6,500,637</u>

Continued on next page

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018

	<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)	\$ (91,882)	\$ (285,936)	\$ (377,818)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and Amortization	863,781	479,469	1,343,250
Bad Debt Expense (Tenants)	16,386	13,416	29,802
Change in Tenant Accounts Receivable	(27,099)	(16,917)	(44,016)
Change in Accounts Receivable/Payable - Grants	(93,126)	-	(93,126)
Change in Other Accounts Receivable	80,521	(6,241)	74,280
Change in Accounts Receivable from the Partnerships	(15,000)	-	(15,000)
Change in Prepaid Costs	(13,836)	(34,118)	(47,954)
Change in Accounts Payable - Operating	(22,655)	(13,526)	(36,181)
Change in Accounts Payable - The HACG	-	15,000	15,000
Change in Accrued Expenses	3,543	4,332	7,875
Change in Unearned Revenue - Grants	59,091	-	59,091
Change in Unearned Revenue - Tenants	16,213	62	16,275
Change in Security Deposits Held	(3,136)	6,959	3,823
Change in Escrow Liabilities	7,580	-	7,580
Net cash provided (used) by operating activities	<u>\$ 780,381</u>	<u>\$ 162,500</u>	<u>\$ 942,881</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, 2018

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 and are reported at \$12,193, which is net of a \$200 allowance for doubtful accounts. Other receivables consist primarily of grants due from HUD totaling \$97,623, fees due from an affiliate of \$15,000, assistance payments due from other housing authorities totaling \$36,232 and other miscellaneous receivables of \$8,167.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

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. Prepaid lease costs are reported net of \$28,554 of accumulated amortization. \$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.

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 Authority's unearned revenue balance consists of \$59,091 of grant proceeds and \$21,372 of tenant prepaid rents. The Partnerships' unearned revenue balance includes \$119,023 of unexpended insurance proceeds to fund repairs by Valley Creek Associates, LP. The Partnerships' remaining unearned revenue balance consists 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 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, 2018, and as of July 25, 2019. 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, 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; GRDC IV acquired a general partnership interest in 335 Greenacre Road, LP during 2017. GRDC (see above) is the sole member of GRDC IV. Because GRDC IV 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 GRDC IV 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

GRDC VII, LLC (GRDC VII, a Blended Component Unit) is a limited liability company organized for the purpose of acquiring a general partnership interest in 50 Ramsey Court, LP (see below). GRDC (see above) is the sole member of GRDC VII. Because GRDC VII 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 GRDC VII can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

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, 2018 may can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

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 are reported discretely with those of the Authority. GRLP's fiscal year end is December 31 and a copy of the Partnership's financial statements for the year ended December 31, 2018 may can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

50 Ramsey Court, LP (50 RC, LP *a Discrete Component Unit*) is a limited partnership formed to acquire, construct, own, finance and operate a 72-unit rental property in Greenville developed under the low-income housing tax credit program. In June of 2018, the former general partner sold its general partnership interest to GRDC VII, 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, 2018, are reported discretely with those of the Authority. As of January 1, 2018 50 RC, LP had a negative net position balance of (\$4,732,317) which is reported as a Net Position Transfer-in, in the 'Partnerships' column of the Statement of Revenues, Expenses and Changes in Net Position. 50 RC, LP's fiscal year end is December 31 and a copy of the Partnership's financial statements for the year ended December 31, 2018 may can be obtained by contacting the Authority at 122 Edinburg Court, Greenville, South Carolina 29607.

The financial balances and activity for each of the three 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 \$5,840,854.

As of December 31, 2018, deposits with financial institutions were secured as follows:

	<u>Deposits in Bank</u>
Insured by FDIC	\$ 1,126,167
Collateralized with specific securities in the Authority's name which are held by a third-party financial institution	4,476,812
Uncollateralized	<u>224,871</u>
	<u><u>\$ 5,827,850</u></u>

GAH Scattered Sites, LLC held \$138,065 of unsecured deposits as of year-end. And GAH Arcadia Hills, LLC held \$86,806 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, 2018, the Partnerships' deposit balances were secured as follows:

	<u>VCA, LP Bank Deposits</u>	<u>335 GR, LP Bank Deposits</u>	<u>50 RC, LP Bank Deposits</u>
Insured by FDIC	\$ 358,561	\$ 201,341	\$ 153,264
Uncollateralized	105,619	-	-
	<u><u>\$ 464,180</u></u>	<u><u>\$ 201,341</u></u>	<u><u>\$ 153,264</u></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>17,620</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 - RETIREMENT 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 2018, the Authority made the required contributions in the amount of \$149,898, and there were no significant unpaid pension liabilities outstanding as of December 31, 2018.

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, 2018, 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	
Accrued Interest	599,714	
Allowance against Accrued Interest	(599,714)	1,340,212
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	
Accrued Interest	386,760	
Allowance against Accrued Interest	(385,260)	518,498
Due from Three Hundred Nichol Street, LP (Evergreen Place)		
Note dated December 2006, matures December 2051	8,332,111	
Allowance for Doubtful Accounts	(7,093,266)	
Accrued Interest	2,705,759	
Allowance against Accrued Interest	(2,705,759)	1,238,845
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	(1,883,114)	
Accrued Interest	1,019,498	
Allowance against Accrued Interest	(1,019,498)	244,080
Due from 50 Ramsey Court, LP (Forest View)		
Note dated June 2007, matures June 2052	2,667,359	
Allowance for Doubtful Accounts	(2,267,255)	
Accrued Interest	2,014,640	
Allowance against Accrued Interest	(2,014,640)	400,104
Due from Nichol Town Green, LP		
Note dated December 2007, matures December 2052	2,156,522	
Allowance for Doubtful Accounts	(1,833,044)	
Accrued Interest	1,338,747	
Allowance against Accrued Interest	(1,338,747)	323,478
Due from West Greenville II, LLC		
Note dated April 2016, matures November 2057	4,352,990	
\$1.385M Draw Note dated April 2016, matures November 2057	1,385,000	
Accrued Interest	196,624	
Allowance for Doubtful Accounts	-	5,934,614

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – NOTES AND INTEREST RECEIVABLE - CONTINUED

Due from Integral Development, LLC		
Note dated May 2017, anticipated to mature December 2019	335,655	
Allowance for Doubtful Accounts	-	335,655
		<hr/>
Due from 80 Thruston Street, LLC		
Note dated November 2018, matures December 2058	3,455,000	
Note dated November 2018, matures December 2058	419,472	
Allowance for Doubtful Accounts	-	3,874,472
		<hr/>
Less Current Portion		(335,655)
Notes and Interest Receivable - Long Term		<u><u>\$ 13,874,303</u></u>

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 are 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 \$335,655 pre-development loan dated May 18, 2017 with Integral Development, LLC was issued in the original amount of \$600,000 and does not bear interest. In the event that Integral Development, LLC was to default on the loan, interest will be charged 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 was issued for the purpose of partially funding pre-development costs of an apartment complex known as The Preserve at Logan Park and matures 'upon the first disbursement of construction and/or permanent loan' which the borrower anticipates in December of 2019.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – RELATED PARTY TRANSACTION – BOND ISSUE

In December of 2006, the Authority issued \$9,000,000 of Multi-Family Tax Exempt Bonds to finance a loan to Three Hundred Nichol Street, LP (the 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 \$2,165,000 at December 31, 2018. Due to the Authority's limited obligation under the bond issue, management has elected not to account for the transaction as a liability because the Authority's assets are not at risk concerning the bonds. Accordingly, the Authority has not recognized the related note receivable due from the Partnership as an asset.

NOTE K – RESTRICTED CASH, INVESTMENTS AND NET POSITION

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

Restricted for Development	\$ 1,549,033
FSS Escrow Deposits	153,344
Replacement Reserves	<u>851,038</u>
Total Restricted Cash and Investments	<u>\$ 2,553,415</u>

Because there is no off-setting liability for cash restricted for development or replacement reserves, \$2,400,071 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	363,788
Cash held for real estate taxes and insurance	<u>49,439</u>
Total Restricted Cash	<u>\$ 554,178</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

Summaries of the Authority's capital asset balances and activity for the year ended December 31, 2018 are as follows:

	<u>BUSINESS ACTIVITIES</u>	<u>COCC</u>	<u>BLENDED COMPONENT UNITS</u>	<u>HOUSING CHOICE VOUCHERS</u>	<u>TOTAL</u>
Land	\$ 3,712,504	\$ -	\$ 1,843,485	\$ -	\$ 5,555,989
Infrastructure	3,151,742	-	-	-	3,151,742
Buildings and Improvements	-	784,972	20,827,985	327,273	21,940,230
Furniture and Equipment	229,215	5,786	141,912	6,897	383,810
Less: Accumulated Depreciation	(1,058,421)	(167,124)	(10,048,080)	(87,380)	(11,361,005)
Total Capital Assets	<u>\$ 6,035,040</u>	<u>\$ 623,634</u>	<u>\$ 12,765,302</u>	<u>\$ 246,790</u>	<u>\$ 19,670,766</u>

	<u>January 1, 2018 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>December 31, 2018 Balance</u>
Land	\$ 5,570,643	\$ -	\$ (14,654)	\$ 5,555,989
Construction in Process	187,362	-	(187,362)	-
Total Assets not being Depreciated	5,758,005	-	(202,016)	5,555,989
Infrastructure	3,151,742	-	-	3,151,742
Buildings and Improvements	26,114,262	192,954	(4,366,986)	21,940,230
Furniture and Equipment	425,519	-	(41,709)	383,810
Total Capital Assets	35,449,528	192,954	(4,610,711)	31,031,771
Less Accumulated Depreciation Buildings, Infrastructure and Improvements	(14,399,433)	(821,373)	4,204,256	(11,016,550)
Furniture and Equipment	(343,756)	(42,408)	41,709	(344,455)
Net Book Value	<u>\$ 20,706,339</u>	<u>\$ (670,827)</u>	<u>\$ (364,746)</u>	<u>\$ 19,670,766</u>

During 2018, the Authority sold the Garden Apartments Public Housing property. The historical cost basis of the property was \$4,353,343 and accumulated depreciation was \$4,082,580. The net book value of the disposition was \$270,763. As compensation for the sale to 80 Thruston Street, LLC, the Authority received a Promissory Note in the amount of \$3,455,000 and recognized a Gain on the Disposition of Capital Assets in the Statement of Revenues, Expenses and Changes in Net Position of \$3,184,237.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – CAPITAL ASSETS - CONTINUED

The Authority also sold two Scattered Sites properties with a combined historical cost basis of \$216,118 and accumulated depreciation of \$122,135 as of the date of the sales. The Authority received a combined total of \$97,150 on the sales and recognized a Gain on the Disposition of Capital Assets in the Statement of Revenues, Expenses and Changes in Net Position of \$3,167. Other dispositions consisted of various equipment disposals.

The Partnerships

Summaries of the Partnerships' capital asset balances and activity for the year ended December 31, 2018 are as follows:

	<u>VCA, LP</u>	<u>135 GR, LP</u>	<u>50 RC, LP</u>	<u>TOTAL</u>
Buildings and Improvements	\$ 6,543,869	\$ 4,855,816	\$ 1,422,734	\$ 12,822,419
Furniture and Equipment	-	101,746	112,188	213,934
Less: Accumulated Depreciation	<u>(3,670,471)</u>	<u>(2,284,408)</u>	<u>(310,918)</u>	<u>(6,265,797)</u>
Total Capital Assets	<u>\$ 2,873,398</u>	<u>\$ 2,673,154</u>	<u>\$ 1,224,004</u>	<u>\$ 6,770,556</u>

	<u>January 1, 2018 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>December 31, 2018 Balance</u>
Buildings and Improvements	\$ 12,723,048	\$ 99,371	\$ -	\$ 12,822,419
Furniture and Equipment	<u>213,312</u>	<u>622</u>	<u>-</u>	<u>213,934</u>
Total Capital Assets	12,936,360	99,993	-	13,036,353
Less Accumulated Depreciation	<u>(5,803,447)</u>	<u>(462,350)</u>	<u>-</u>	<u>(6,265,797)</u>
Net Book Value	<u>\$ 7,132,913</u>	<u>\$ (362,357)</u>	<u>\$ -</u>	<u>\$ 6,770,556</u>

NOTE N – INVESTMENTS IN PARTNERSHIPS

In October of 2016, GRDC IV, LLC purchased a general partnership interest in Valley Creek Associates, LP for \$482,316. As of December 31, 2018, 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. And in June of 2018, GRDC VII, LLC purchased a general partnership interest in 50 Ramsey Court, LP for \$46,002.

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, 2018 is as follows:

	<u>January 1, 2018 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2018 Balance</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 78,351	\$ 100,394	\$ 96,851	\$ 81,894	\$ 7,142
Escrow Deposits	145,764	7,580	-	153,344	153,344
Less: Current portion	(102,873)			(160,486)	
Long Term Liabilities	<u>\$ 121,242</u>			<u>\$ 74,752</u>	<u>\$ 160,486</u>

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, 2018, the outstanding balance was \$1,024,717 and was reported on the Statement of Net Position net of unamortized debt issuance costs of \$53,070, at \$971,647. Accrued interest payable was \$6,125. Future debt service obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2019	\$ 29,807	\$ 68,915	\$ 994,910
2020	31,905	66,819	963,005
2021	34,149	64,575	928,856
2022	36,550	62,174	892,306
2023	39,120	59,604	853,186
2024 - 2025	853,186	61,460	-
	<u>\$ 1,024,717</u>	<u>\$ 383,547</u>	<u>\$ -</u>

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

Accrued Interest, 3% compounded annually on principal

599,714 \$ 1,939,926

Other Debt, Non-current

\$ 1,939,926

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, 2018, the outstanding principal balance on the loan was \$1,340,212 and accrued interest payable was \$599,714.

Total interest expense incurred on VCA, LP's loans during 2018 was \$105,101 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 \$107,610.

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

\$	225,000	
	-	\$ 225,000

Non-interest bearing

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

441,998

Accrued Interest, 5.5% compounded annually on principal

385,260	827,258
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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

75,000

Accrued Interest, 2% compounded annually on principal

1,500	76,500
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Other Debt, Non-current

\$ 1,128,758

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, 2018, the outstanding principal balance on the loan was \$441,998 and accrued interest payable was \$385,260.

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, 2018, 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, 2018.

Total interest expense incurred on 335 GR, LP's loans during 2018 was \$44,627.

50 RC, LP obtained permanent financing from SA Affordable Housing, LLC in the original amount of \$2,500,000. Monthly principal and interest payments of \$12,542 are to be made through 2025 with a balloon payment to be made in June of 2025. The loan is secured by a first deed of trust on the property and yields interest at 7.361%. As of December 31, 2018, the outstanding balance was \$1,604,043 and was reported on the Statement of Net Position net of unamortized debt issuance costs of \$11,571, at \$1,592,472. Accrued interest payable was \$6,125. Future debt service obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2019	\$ 33,544	\$ 116,957	\$ 1,570,499
2020	36,102	114,402	1,534,397
2021	38,851	111,653	1,495,546
2022	41,809	108,695	1,453,737
2023	44,992	105,512	1,408,745
2024 - 2025	1,408,745	151,763	-
	<u>\$ 1,604,043</u>	<u>\$ 708,982</u>	<u>\$ -</u>

50 RC, 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 \$2,667,359, Secured by a leasehold interest in the project, matures June 2052

\$ 2,667,359

Accrued Interest, 5.5% compounded annually on principal

2,014,640 \$ 4,681,999

Due to the Limited Partner

Operating Loan Payable, in the original amount of \$422,858 (Repaid in full as of December 31, 2018)

\$ -

Accrued Interest, 20% compounded annually

275,846 \$ 275,846

Other Debt, Non-current

\$ 4,957,845

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – LONG-TERM LIABILITIES - CONTINUED

The Partnerships - Continued

In June of 2007, 50 RC, LP obtained additional permanent financing from The Housing Authority of the City of Greenville in the amount of \$2,667,359. The principal balance and accrued interest are due and payable upon maturity in June of 2052. The loan is secured with a subordinate leasehold interest in the property and yields interest at 5.5%. As of December 31, 2018, the outstanding principal balance on the loan was \$2,667,359 and accrued interest payable was \$2,014,640.

50 RC, LP's limited partner has advanced an operating loan to the Partnership under the terms of the Operating Agreement in the amount of \$422,858. The loan bore interest at 20% compounded annually and was secured by the repayment terms of the Operating Agreement. As of December 31, 2018 the principal balance of the loan was repaid to the limited partner in full. Accrued interest of \$275,846 remained payable as of year-end.

Total interest expense incurred on 50 RC, LP's loans during 2018 was \$393,501 and was reported in the Statement of Revenues, Expenses and Changes in Net Position along with amortization of debt issuance costs of \$1,390, for a total expense of \$394,891.

A summary of the Partnerships' long-term liability activity for the year ended December 31, 2018 is as follows:

	<u>January 1, 2018 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2018 Balance</u>	<u>Due Within One Year</u>
Permanent Mortgages Payable	\$ 2,399,224	\$ 280,849	\$ 51,313	\$ 2,628,760	\$ 63,351
Unamortized Debt Issuance Costs	(30,431)	(38,109)	(3,899)	(64,641)	-
Permanent Loans due to The HA of The City of Greenville	4,449,569	-	-	4,449,569	-
Accrued Interest due to The HA of The City of Greenville	2,672,195	328,919	-	3,001,114	-
Operating Loan due to the Limited Partner (50 RC, LP)	249,114	-	249,114	-	-
Accrued Interest due to the Limited Partner (50 RC, LP)	235,264	40,582	-	275,846	-
FHLBA Note Payable	225,000	-	-	225,000	-
IDRR Note Payable (Non-Capital)	75,000	-	-	75,000	-
Asset Management Fee Payable	58,775	7,129	-	65,904	-
Accrued Compensated Absences	5,699	7,616	7,396	5,919	472
Less: Current portion	(54,018)			(63,823)	
Long Term Liabilities	<u>\$ 10,285,391</u>			<u>\$ 10,598,648</u>	<u>\$ 63,823</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – BLENDED COMPONENT UNITS

Condensed Statement of Net Position

	GRDC VI, LLC 12/31/2018	GAH Scattered Sites, LLC 12/31/2018	GAH Arcadia Hills, LLC 12/31/2018	GAH Ridgeway, LLC 12/31/2018	Total BCU's 12/31/2018
Assets					
Current and restricted assets	\$ 15,000	\$ 1,482,086	\$ 561,065	\$ 390,219	\$ 2,448,370
Capital assets	-	6,526,212	4,826,964	1,412,126	12,765,302
Investment in partnerships	608,962	-	-	-	608,962
Other assets	18,012	-	-	-	18,012
Total assets	641,974	8,008,298	5,388,029	1,802,345	15,840,646
Liabilities					
Current liabilities	-	94,580	13,076	3,473	111,129
Non-current liabilities	-	14,293	3,767	570	18,630
Total liabilities	-	108,873	16,843	4,043	129,759
Net position					
Net investment in capital assets	-	6,526,212	4,826,964	1,412,126	12,765,302
Restricted net position	-	388,065	336,806	126,167	851,038
Unrestricted net position	641,974	985,148	207,416	260,009	2,094,547
Total net position	\$ 641,974	\$ 7,899,425	\$ 5,371,186	\$ 1,798,302	\$ 15,710,887

Condensed Statement of Revenues, Expenses and Changes in Net Position

	GRDC VI, LLC Year-ended 12/31/2018	GAH Scattered Sites, LLC Year-ended 12/31/2018	GAH Arcadia Hills, LLC Year-ended 12/31/2018	GAH Ridgeway, LLC Year-ended 12/31/2018	Total BCU's Year-ended 12/31/2018
Revenues					
Operating revenue	\$ 15,000	\$ 298,238	\$ 145,765	\$ 19,432	\$ 478,435
Gain on dispositions	-	3,167	-	-	3,167
Transfer from the Authority	46,002	545,720	122,654	33,302	747,678
Investment income	-	-	-	-	-
Total revenues	61,002	847,125	268,419	52,734	1,229,280
Expenses					
Operating expenses	-	672,224	170,123	46,995	889,342
Depreciation	-	425,277	233,094	33,027	691,398
Transfer to the Authority	-	1,786,279	-	-	1,786,279
Total expenses	-	2,883,780	403,217	80,022	3,367,019
Increase (decrease) in net position	61,002	(2,036,655)	(134,798)	(27,288)	(2,137,739)
Beginning net position	580,972	9,936,081	5,505,983	1,825,590	17,848,626
Ending net position	\$ 641,974	\$ 7,899,426	\$ 5,371,185	\$ 1,798,302	\$ 15,710,887

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – BLENDED COMPONENT UNITS - CONTINUED

Condensed Statement of Cash Flows

	GRDC VI, LLC	GAH Scattered Sites, LLC	GAH Arcadia Hills, LLC	GAH Ridgeway, LLC	Total BCU's
	Year-ended	Year-ended	Year-ended	Year-ended	Year-ended
	<u>12/31/2018</u>	<u>12/31/2018</u>	<u>12/31/2018</u>	<u>12/31/2018</u>	<u>12/31/2018</u>
Cash flows from/(used by) operating activities					
From the Authority	\$ 46,002	\$ 545,720	\$ 122,654	\$ 33,302	\$ 747,678
To the Authority	-	(1,786,279)	-	-	(1,786,279)
Other operating activities	-	(555,628)	(45,944)	(26,589)	(628,161)
From (used by) all operating activities	<u>46,002</u>	<u>(1,796,187)</u>	<u>76,710</u>	<u>6,713</u>	<u>(1,666,762)</u>
Cash flows from/(used by) capital and related financing activities					
Purchases of assets	-	(192,954)	-	-	(192,954)
Proceeds from dispositions	-	97,150	-	-	97,150
Used by all capital activities	<u>-</u>	<u>(95,804)</u>	<u>-</u>	<u>-</u>	<u>(95,804)</u>
Used by all investing activities	<u>(46,002)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,002)</u>
Net increase (decrease) in cash and equivalents	-	(1,891,991)	76,710	6,713	(1,808,568)
Beginning current and restricted cash	-	3,346,282	474,457	381,476	4,202,215
Ending current and restricted cash	<u>\$ -</u>	<u>\$ 1,454,291</u>	<u>\$ 551,167</u>	<u>\$ 388,189</u>	<u>\$ 2,393,647</u>

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 \$64,641 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 12/31/2018	335 Greenacre Road, LP 12/31/2018	50 Ramsey Court, LP 12/31/2018	Total DCU's 12/31/2018
Assets				
Current and restricted assets	\$ 492,269	\$ 211,336	\$ 173,422	\$ 877,027
Capital assets	2,873,398	2,673,154	1,224,004	6,770,556
Other assets	150,902	-	181,266	332,168
Total assets	3,516,569	2,884,490	1,578,692	7,979,751
Liabilities				
Current liabilities	243,518	19,252	113,729	376,499
Current liabilities due to the Authority	-	15,000	-	15,000
Non-current liabilities	944,556	293,635	1,834,774	3,072,965
Non-current liabilities due to the Authority	1,939,926	903,758	4,681,999	7,525,683
Total liabilities	3,128,000	1,231,645	6,630,502	10,990,147
Net position				
Net investment in capital assets	561,539	2,006,156	(3,035,827)	(468,132)
Restricted net position	368,535	174,666	130,000	673,201
Unrestricted net position	(541,505)	(527,977)	(2,145,983)	(3,215,465)
Total net position	\$ 388,569	\$ 1,652,845	\$ (5,051,810)	\$ (3,010,396)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Valley Creek Associates, LP Year-ended 12/31/2018	335 Greenacre Road, LP Year-ended 12/31/2018	50 Ramsey Court, LP Year-ended 12/31/2018	Total DCU's Year-ended 12/31/2018
Revenues				
Operating revenue	\$ 249,208	\$ 120,126	\$ 238,800	\$ 608,134
Grants from the Authority	128,444	138,590	370,779	637,813
Investment income	188	-	186	374
Total revenues	377,840	258,716	609,765	1,246,321
Expenses				
Operating expenses	217,638	236,785	552,366	1,006,789
Management fees to the Authority	22,360	40,384	-	62,744
Depreciation	239,362	194,985	28,003	462,350
Interest Expense	67,403	-	150,806	218,209
Interest Expense to the Authority	40,207	44,627	244,085	328,919
Total expenses	586,970	516,781	975,260	2,079,011
Increase (decrease) in net position	(209,130)	(258,065)	(365,495)	(832,690)
Beginning net position	597,699	1,910,910	-	2,508,609
Contributions	-	-	46,002	46,002
Net position transfer-in	-	-	(4,732,317)	(4,732,317)
Ending net position	\$ 388,569	\$ 1,652,845	\$ (5,051,810)	\$ (3,010,396)

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE R – DISCRETE COMPONENT UNITS - CONTINUED

Condensed Statement of Cash Flows

	Valley Creek Associates, LP Year-ended 12/31/2018	335 Greenacre Road, LP Year-ended 12/31/2018	50 Ramsey Court, LP Year-ended 12/31/2018	Total DCU's Year-ended 12/31/2018
Cash flows from/(used by) operating activities				
From the Authority	\$ 128,444	\$ 138,590	\$ 370,779	\$ 637,813
To the Authority	(22,360)	(25,384)	-	(47,744)
Other operating activities	60,785	(100,789)	(387,565)	(427,569)
From (used by) all operating activities	166,869	12,417	(16,786)	162,500
Cash flows from non-capital financing activities				
Contributions from the Authority	-	-	46,002	46,002
Other non-capital financing activities	-	-	(229,620)	(229,620)
From all non-capital financing activities	-	-	(183,618)	(183,618)
From (used by) all capital activities	(227,974)	-	145,680	(82,294)
From all investing activities	188	-	186	374
Net increase (decrease) in cash and equivalents	(60,917)	12,417	(54,538)	(103,038)
Beginning current and restricted cash	519,349	185,742	207,802	912,893
Ending current and restricted cash	\$ 458,432	\$ 198,159	\$ 153,264	\$ 809,855

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE S – SUBSEQUENT EVENTS

In preparing the financial statements, Authority and Partnership management evaluated subsequent events through July 25, 2019, 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, 2018

EXPENDITURES

Public Housing Expenditures	
Total CFDA Number 14.850a	\$ 1,161,233
Resident Opportunity and Supportive Services	
Total CFDA Number 14.870	105,129
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	21,382,617
Public Housing Capital Fund Program	
Total CFDA Number 14.872	353,409
PIH Family Self Sufficiency Program	
Total CFDA Number 14.896	106,024
Total HUD Expenditures	23,108,412
TOTAL FEDERAL EXPENDITURES	\$ 23,108,412

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, 2018. 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, 2018**

	SC16P00450113	SC16P00450114	SC16P00450117
Funds Approved	\$ 703,912	\$ 891,629	\$ 734,116
Funds Expended	703,912	891,629	734,116
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 703,912	\$ 891,629	\$ 734,116
Funds Expended	703,912	891,629	734,116
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	SC16R00450116	SC16R00450215	SC16R00450216
Funds Approved	\$ 57,647	\$ 226,934	\$ 230,656
Funds Expended	57,647	226,934	230,656
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 57,647	\$ 226,934	\$ 230,656
Funds Expended	57,647	226,934	230,656
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2018

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	14.896 PIH Family Self-Sufficiency Program
111 Cash - Unrestricted	\$ 440,080	\$ -	\$ 152,819	\$ 1,492,116	\$ 797,636	\$ -
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-
113 Cash - Other Restricted	-	-	-	851,038	1,552,305	-
114 Cash - Tenant Security Deposits	-	-	-	50,493	-	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-
100 Total Cash	\$ 440,080	\$ -	\$ 152,819	\$ 2,393,647	\$ 2,349,941	\$ -
121 Accounts Receivable - PHA Projects	-	-	36,232	-	-	-
122 Accounts Receivable - HUD Other Projects	-	7,439	80,052	-	-	10,132
124 Accounts Receivable - Other Government	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	15,000	8,167	-
126 Accounts Receivable - Tenants	-	-	-	12,393	-	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	(200)	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	335,655	-
128 Fraud Recovery	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ 7,439	\$ 116,284	\$ 27,193	\$ 343,822	\$ 10,132
131 Investments - Unrestricted	-	-	-	-	-	-
132 Investments - Restricted	-	-	150,072	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	-	-	14,858	27,530	7,539	-
143 Inventories	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-
150 Total Current Assets	\$ 440,080	\$ 7,439	\$ 434,033	\$ 2,448,370	\$ 2,701,302	\$ 10,132
161 Land	-	-	-	1,843,485	3,712,504	-
162 Buildings	-	-	-	20,827,985	-	-
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	-	-	6,897	141,912	229,215	-
165 Leasehold Improvements	-	-	327,273	-	-	-
166 Accumulated Depreciation	-	-	(87,380)	(10,048,080)	(1,058,421)	-
167 Construction in Progress	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	3,151,742	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -	\$ 246,790	\$ 12,765,302	\$ 6,035,040	\$ -
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	13,874,303	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-
174 Other Assets	-	-	-	18,012	-	-
176 Investments in Joint Ventures	-	-	-	608,962	-	-
180 Total Non-Current Assets	\$ -	\$ -	\$ 246,790	\$ 13,392,276	\$ 19,909,343	\$ -
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 440,080	\$ 7,439	\$ 680,823	\$ 15,840,646	\$ 22,610,645	\$ 10,132

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2018

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	1 Business Activities	14.896 PIH Family Self-Sufficiency Program
311 Bank Overdraft	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	2,622	-	11,761	37,002	7,266	-
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-
322 Accrued Compensated Absences - Current Portion	-	-	985	2,262	2,102	-
324 Accrued Contingency Liability	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-
341 Tenant Security Deposits	-	-	-	50,493	-	-
342 Unearned Revenue	-	-	59,091	21,372	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-
345 Other Current Liabilities	-	-	183,515	-	3,272	-
346 Accrued Liabilities - Other	-	-	-	-	-	-
347 Inter Program - Due To	-	7,439	-	-	-	10,132
348 Loan Liability - Current	-	-	-	-	-	-
310 Total Current Liabilities	\$ 2,622	\$ 7,439	\$ 255,352	\$ 111,129	\$ 12,640	\$ 10,132
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	-	-	11,326	18,630	24,175	-
355 Loan Liability - Non Current	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ -	\$ -	\$ 11,326	\$ 18,630	\$ 24,175	\$ -
300 Total Liabilities	\$ 2,622	\$ 7,439	\$ 266,678	\$ 129,759	\$ 36,815	\$ 10,132
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	-	-	246,790	12,765,302	6,035,040	-
511.4 Restricted Net Position	-	-	-	851,038	1,549,033	-
512.4 Unrestricted Net Position	437,458	-	167,355	2,094,547	14,989,757	-
513 Total Equity - Net Assets / Position	\$ 437,458	\$ -	\$ 414,145	\$ 15,710,887	\$ 22,573,830	\$ -
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 440,080	\$ 7,439	\$ 680,823	\$ 15,840,646	\$ 22,610,645	\$ 10,132

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2018

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit Blended	1 Business Activities	14.896 PIH Family Self- Sufficiency Program
70300 Net Tenant Rental Revenue	\$ 52,569	\$ -	\$ -	\$ 1,141,649	\$ -	\$ -
70400 Tenant Revenue - Other	1,046	-	-	23,393	-	-
70500 Total Tenant Revenue	\$ 53,615	\$ -	\$ -	\$ 1,165,042	\$ -	\$ -
70600 HUD PHA Operating Grants	1,514,642	105,129	21,382,617	-	-	106,024
70610 Capital Grants	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 1,514,642	\$ 105,129	\$ 21,382,617	\$ -	\$ -	\$ 106,024
70800 Other Government Grants	-	-	-	-	-	-
71100 Investment Income - Unrestricted	-	-	-	-	330	-
71200 Mortgage Interest Income	-	-	-	-	9,009	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-
71400 Fraud Recovery	-	-	12,170	-	-	-
71500 Other Revenue	128	-	293,057	15,069	583,309	-
71600 Gain or Loss on Sale of Capital Assets	-	-	-	3,167	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-
70000 Total Revenue	\$ 1,568,385	\$ 105,129	\$ 21,687,844	\$ 1,183,278	\$ 592,648	\$ 106,024
91100 Administrative Salaries	28,878	-	496,592	116,181	254,407	-
91200 Auditing Fees	5,560	-	18,750	11,190	2,000	-
91300 Management Fee	107,829	-	353,280	-	-	-
91310 Book-keeping Fee	7,200	-	176,640	-	-	-
91400 Advertising and Marketing	-	-	321	83	2,214	-
91500 Employee Benefit contributions - Administrative	9,745	-	162,385	32,510	58,449	-
91600 Office Expenses	22,118	-	233,026	22,125	22,214	-
91700 Legal Expense	9,983	-	7,799	4,190	13,159	-
91800 Travel	93	-	120	210	130	-
91810 Allocated Overhead	-	-	-	-	-	-
91900 Other	60,120	-	173,633	234,002	148,075	-
91000 Total Operating - Administrative	\$ 251,526	\$ -	\$ 1,622,546	\$ 420,491	\$ 500,648	\$ -
92000 Asset Management Fee	\$ 9,600	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	64,440	606	-	-	79,415
92200 Relocation Costs	41,333	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	20,804	229	-	-	22,609
92400 Tenant Services - Other	9,951	19,885	-	2,209	21,562	4,000
92500 Total Tenant Services	\$ 51,284	\$ 105,129	\$ 835	\$ 2,209	\$ 21,562	\$ 106,024
93100 Water	12,824	-	-	7,649	-	-
93200 Electricity	40,312	-	-	12,213	-	-
93300 Gas	6,328	-	-	1,492	-	-
93400 Fuel	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2018

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit Blended	1 Business Activities	14.896 PIH Family Self- Sufficiency Program
93800 Other Utilities Expense	1,998	-	-	5,791	-	-
93000 Total Utilities	\$ 61,462	\$ -	\$ -	\$ 27,145	\$ -	\$ -
94100 Ordinary Maintenance and Operations - Labor	12,389	-	-	58,735	-	-
94200 Ordinary Maintenance and Operations - Materials and Other	4,043	-	-	66,053	-	-
94300 Ordinary Maintenance and Operations Contracts	43,254	-	-	219,554	4,439	-
94500 Employee Benefit Contributions - Ordinary Maintenance	4,128	-	-	18,397	-	-
94000 Total Maintenance	\$ 63,814	\$ -	\$ -	\$ 362,739	\$ 4,439	\$ -
95100 Protective Services - Labor	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	48,715	-	-	1,400	720	-
95300 Protective Services - Other	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-
95000 Total Protective Services	\$ 48,715	\$ -	\$ -	\$ 1,400	\$ 720	\$ -
96110 Property Insurance	8,828	-	1,463	28,554	-	-
96120 Liability Insurance	1,520	-	2,052	5,542	655	-
96130 Workmen's Compensation	1,938	-	12,009	7,443	7,175	-
96140 All Other Insurance	246	-	-	711	-	-
96100 Total Insurance Premiums	\$ 12,532	\$ -	\$ 15,524	\$ 42,250	\$ 7,830	\$ -
96200 Other General Expenses	544,792	-	5,674	3,955	19,664	-
96210 Compensated Absences	-	-	43,182	15,212	22,122	-
96300 Payments in Lieu of Taxes	-	-	-	-	3,274	-
96400 Bad debt - Tenant Rents	1,428	-	-	13,941	1,017	-
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 546,220	\$ -	\$ 48,856	\$ 33,108	\$ 46,077	\$ -
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ 1,045,153	\$ 105,129	\$ 1,687,761	\$ 889,342	\$ 581,276	\$ 106,024
97000 Excess of Operating Revenue over Operating Expenses	\$ 523,232	\$ -	\$ 20,000,083	\$ 293,936	\$ 11,372	\$ -
97100 Extraordinary Maintenance	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-
97300 Housing Assistance Payments	83,277	-	19,817,475	-	-	-
97350 HAP Portability-In	-	-	247,532	-	-	-
97400 Depreciation Expense	30,804	-	10,355	691,398	105,058	-
97500 Fraud Losses	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2018

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit Blended	1 Business Activities	14.896 PIH Family Self- Sufficiency Program
90000 Total Expenses	\$ 1,159,234	\$ 105,129	\$ 21,763,123	\$ 1,580,740	\$ 686,334	\$ 106,024
10010 Operating Transfer In	353,409	-	-	46,002	1,786,279	-
10020 Operating transfer Out	(353,409)	-	-	(1,786,279)	(46,002)	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	3,184,237	-
10091 Inter Project Excess Cash Transfer In	536,576	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	(536,576)	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	353,409	-
10094 Transfers between Project and Program - Out	(353,409)	-	-	-	-	-
10100 Total Other financing Sources (Uses)	\$ (353,409)	\$ -	\$ -	\$ (1,740,277)	\$ 5,277,923	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 55,742	\$ -	\$ (75,279)	\$ (2,137,739)	\$ 5,184,237	\$ -
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 2,658,905	\$ -	\$ 489,424	\$ 17,848,626	\$ 15,112,404	\$ -
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(2,277,189)	-	-	-	2,277,189	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ 414,145	\$ -	\$ -	\$ -
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	2,136	-	35,328	1,932	-	-
11210 Number of Unit Months Leased	1,935	-	35,746	1,824	-	-
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	-	-	-	-	-	-
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	353,409	-	-	-	-	-

THE GREENVILLE HOUSING AUTHORITY
Greenville, SC
Entity Wide Balance Sheet Summary
Fiscal Year
End: 12/31/2018

	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit Discretely Presented	Total Reporting Entity
111 Cash - Unrestricted	\$ 354,295	\$ -	\$ 3,236,946	\$ 90,947	3,327,893
112 Cash - Restricted - Modernization and Development	-	-	-	-	-
113 Cash - Other Restricted	-	-	2,403,343	554,178	2,957,521
114 Cash - Tenant Security Deposits	-	-	50,493	45,707	96,200
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	119,023	119,023
100 Total Cash	\$ 354,295	\$ -	\$ 5,690,782	\$ 809,855	\$ 6,500,637
121 Accounts Receivable - PHA Projects	-	-	36,232	-	36,232
122 Accounts Receivable - HUD Other Projects	-	-	97,623	-	97,623
124 Accounts Receivable - Other Government	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	23,167	4,221	27,388
126 Accounts Receivable - Tenants	-	-	12,393	14,678	27,071
126.1 Allowance for Doubtful Accounts - Tenants	-	-	(200)	(2,446)	(2,646)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	335,655	-	335,655
128 Fraud Recovery	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ -	\$ 504,870	\$ 16,453	\$ 521,323
131 Investments - Unrestricted	-	-	-	-	-
132 Investments - Restricted	-	-	150,072	-	150,072
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-
142 Prepaid Expenses and Other Assets	33,996	-	83,923	50,719	134,642
143 Inventories	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-
144 Inter Program Due From	17,571	(17,571)	-	-	-
145 Assets Held for Sale	-	-	-	-	-
150 Total Current Assets	\$ 405,862	\$ (17,571)	\$ 6,429,647	\$ 877,027	\$ 7,306,674
161 Land	-	-	5,555,989	-	5,555,989
162 Buildings	672,144	-	21,500,129	12,137,634	33,637,763
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	106,823	106,823
164 Furniture, Equipment & Machinery - Administration	5,786	-	383,810	107,111	490,921
165 Leasehold Improvements	112,826	-	440,101	684,785	1,124,886
166 Accumulated Depreciation	(167,124)	-	(11,361,005)	(6,265,797)	(17,626,802)
167 Construction in Progress	-	-	-	-	-
168 Infrastructure	-	-	3,151,742	-	3,151,742
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 623,634	\$ -	\$ 19,670,766	\$ 6,770,556	\$ 26,441,322
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	13,874,303	-	13,874,303
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-
174 Other Assets	-	-	18,012	332,168	350,180
176 Investments in Joint Ventures	-	-	608,962	-	608,962
180 Total Non-Current Assets	\$ 623,634	\$ -	\$ 34,172,043	\$ 7,102,724	\$ 41,274,767
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 1,029,496	\$ (17,571)	\$ 40,601,690	\$ 7,979,751	\$ 48,581,441

THE GREENVILLE HOUSING AUTHORITY
Greenville, SC
Entity Wide Balance Sheet Summary
Fiscal Year
End: 12/31/2018

	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit Discretely Presented	Total Reporting Entity
311 Bank Overdraft	-	-	-	-	-
312 Accounts Payable <= 90 Days	17,876	-	76,527	73,968	150,495
313 Accounts Payable >90 Days Past Due	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-
322 Accrued Compensated Absences - Current Portion	1,793	-	7,142	472	7,614
324 Accrued Contingency Liability	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	14,398	14,398
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-
341 Tenant Security Deposits	-	-	50,493	45,707	96,200
342 Unearned Revenue	-	-	80,463	124,478	204,941
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	63,351	63,351
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-
345 Other Current Liabilities	-	-	186,787	-	186,787
346 Accrued Liabilities - Other	-	-	-	69,125	69,125
347 Inter Program - Due To	-	(17,571)	-	-	-
348 Loan Liability - Current	-	-	-	-	-
310 Total Current Liabilities	\$ 19,669	\$ (17,571)	\$ 401,412	\$ 391,499	\$ 792,911
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	7,175,337	7,175,337
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	3,342,864	3,342,864
354 Accrued Compensated Absences - Non Current	20,621	-	74,752	5,447	80,199
355 Loan Liability - Non Current	-	-	-	75,000	75,000
356 FASB 5 Liabilities	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 20,621	\$ -	\$ 74,752	\$ 10,598,648	\$ 10,673,400
300 Total Liabilities	\$ 40,290	\$ (17,571)	\$ 476,164	\$ 10,990,147	\$ 11,466,311
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	623,634	-	19,670,766	(468,132)	19,202,634
511.4 Restricted Net Position	-	-	2,400,071	554,178	2,954,249
512.4 Unrestricted Net Position	365,572	-	18,054,689	(3,096,442)	14,958,247
513 Total Equity - Net Assets / Position	\$ 989,206	\$ -	\$ 40,125,526	\$ (3,010,396)	\$ 37,115,130
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 1,029,496	\$ (17,571)	\$ 40,601,690	\$ 7,979,751	\$ 48,581,441

THE GREENVILLE HOUSING AUTHORITY
Greenville, SC
Entity Wide Revenue and Expense Summary
Fiscal Year
End: 12/31/2018

	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
70300 Net Tenant Rental Revenue	\$ -	\$ (701,676)	\$ 492,542	\$ 1,213,185	1,705,727
70400 Tenant Revenue - Other	-	-	24,439	23,764	48,203
70500 Total Tenant Revenue	\$ -	\$ (701,676)	\$ 516,981	\$ 1,236,949	\$ 1,753,930
70600 HUD PHA Operating Grants	-	-	23,108,412	-	23,108,412
70610 Capital Grants	-	-	-	-	-
70710 Management Fee	461,109	(461,109)	-	-	-
70720 Asset Management Fee	9,600	(9,600)	-	-	-
70730 Book Keeping Fee	183,840	(183,840)	-	-	-
70740 Front Line Service Fee	-	-	-	-	-
70750 Other Fees	-	-	-	-	-
70700 Total Fee Revenue	\$ 654,549	\$ (654,549)	\$ 23,108,412	\$ -	\$ 23,108,412
70800 Other Government Grants	-	-	-	-	-
71100 Investment Income - Unrestricted	-	-	330	8	338
71200 Mortgage Interest Income	-	-	9,009	-	9,009
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-
71400 Fraud Recovery	-	-	12,170	-	12,170
71500 Other Revenue	58,183	(259,357)	690,389	55,000	745,389
71600 Gain or Loss on Sale of Capital Assets	-	-	3,167	-	3,167
72000 Investment Income - Restricted	-	-	-	366	366
70000 Total Revenue	\$ 712,732	\$ (1,615,582)	\$ 24,340,458	\$ 1,292,323	\$ 25,632,781
91100 Administrative Salaries	228,591	-	1,124,649	97,209	1,221,858
91200 Auditing Fees	2,000	-	39,500	27,332	66,832
91300 Management Fee	-	(461,109)	-	82,934	82,934
91310 Book-keeping Fee	-	(183,840)	-	-	-
91400 Advertising and Marketing	1,271	-	3,889	445	4,334
91500 Employee Benefit contributions - Administrative	54,059	-	317,148	20,381	337,529
91600 Office Expenses	152,910	(58,183)	394,210	37,218	431,428
91700 Legal Expense	7,663	-	42,794	44,447	87,241
91800 Travel	11,179	-	11,732	11,669	23,401
91810 Allocated Overhead	-	-	-	-	-
91900 Other	84,671	(201,174)	499,327	53,624	552,951
91000 Total Operating - Administrative	\$ 542,344	\$ (904,306)	\$ 2,433,249	\$ 375,259	\$ 2,808,508
92000 Asset Management Fee	\$ -	\$ (9,600)	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	144,461	-	144,461
92200 Relocation Costs	-	-	41,333	-	41,333
92300 Employee Benefit Contributions - Tenant Services	-	-	43,642	-	43,642
92400 Tenant Services - Other	-	-	57,607	3,068	60,675
92500 Total Tenant Services	\$ -	\$ -	\$ 287,043	\$ 3,068	\$ 290,111
93100 Water	625	-	21,098	23,249	44,347
93200 Electricity	4,662	-	57,187	25,491	82,678
93300 Gas	787	-	8,607	-	8,607
93400 Fuel	-	-	-	-	-
93500 Labor	-	-	-	-	-
93600 Sewer	-	-	-	42,523	42,523
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-

THE GREENVILLE HOUSING AUTHORITY
Greenville, SC
Entity Wide Revenue and Expense Summary
Fiscal Year
End: 12/31/2018

	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
93800 Other Utilities Expense	766	-	8,555	1,367	9,922
93000 Total Utilities	\$ 6,840	\$ -	\$ 95,447	\$ 92,630	\$ 188,077
94100 Ordinary Maintenance and Operations - Labor	-	-	71,124	101,090	172,214
94200 Ordinary Maintenance and Operations - Materials and Other	1,904	-	72,000	60,530	132,530
94300 Ordinary Maintenance and Operations Contracts	17,307	-	284,554	239,558	524,112
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	22,525	21,330	43,855
94000 Total Maintenance	\$ 19,211	\$ -	\$ 450,203	\$ 422,508	\$ 872,711
95100 Protective Services - Labor	-	-	-	-	-
95200 Protective Services - Other Contract Costs	1,334	-	52,169	-	52,169
95300 Protective Services - Other	-	-	-	11,721	11,721
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-
95000 Total Protective Services	\$ 1,334	\$ -	\$ 52,169	\$ 11,721	\$ 63,890
96110 Property Insurance	1,463	-	40,308	58,707	99,015
96120 Liability Insurance	1,299	-	11,068	905	11,973
96130 Workmen's Compensation	5,429	-	33,994	4,391	38,385
96140 All Other Insurance	10,868	-	11,825	118	11,943
96100 Total Insurance Premiums	\$ 19,059	\$ -	\$ 97,195	\$ 64,121	\$ 161,316
96200 Other General Expenses	-	-	574,085	18,877	592,962
96210 Compensated Absences	19,878	-	100,394	7,616	108,010
96300 Payments in Lieu of Taxes	-	-	3,274	60,317	63,591
96400 Bad debt - Tenant Rents	-	-	16,386	13,416	29,802
96500 Bad debt - Mortgages	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-
96000 Total Other General Expenses	\$ 19,878	\$ -	\$ 694,139	\$ 100,226	\$ 794,365
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	541,729	541,729
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	1,500	1,500
96730 Amortization of Bond Issue Costs	-	-	-	3,899	3,899
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ 547,128	\$ 547,128
96900 Total Operating Expenses	\$ 608,666	\$ (913,906)	\$ 4,109,445	\$ 1,616,661	\$ 5,726,106
97000 Excess of Operating Revenue over Operating Expenses	\$ 104,066	\$ (701,676)	\$ 20,231,013	\$ (324,338)	\$ 19,906,675
97100 Extraordinary Maintenance	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-
97300 Housing Assistance Payments	-	(701,676)	19,199,076	-	19,199,076
97350 HAP Portability-In	-	-	247,532	-	247,532
97400 Depreciation Expense	26,166	-	863,781	462,350	1,326,131
97500 Fraud Losses	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-

THE GREENVILLE HOUSING AUTHORITY
Greenville, SC
Entity Wide Revenue and Expense Summary
Fiscal Year
End: 12/31/2018

	COCC	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
90000 Total Expenses	\$ 634,832	\$ (1,615,582)	\$ 24,419,834	\$ 2,079,011	\$ 26,498,845
10010 Operating Transfer In	-	(2,185,690)	-	-	-
10020 Operating transfer Out	-	2,185,690	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	3,184,237	-	3,184,237
10091 Inter Project Excess Cash Transfer In	-	(536,576)	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	536,576	-	-	-
10093 Transfers between Program and Project - In	-	(353,409)	-	-	-
10094 Transfers between Project and Program - Out	-	353,409	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ 3,184,237	\$ -	\$ 3,184,237
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 77,900	\$ -	\$ 3,104,861	\$ (786,688)	\$ 2,318,173
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ 63,351	\$ 63,351
11030 Beginning Equity	\$ 911,306	\$ -	\$ 37,020,665	\$ 2,508,609	\$ 39,529,274
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	(4,732,317)	(4,732,317)
11170 Administrative Fee Equity	\$ -	\$ -	\$ 414,145	\$ -	\$ 414,145
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	-	-	39,396	1,920	41,316
11210 Number of Unit Months Leased	-	-	39,505	1,800	41,305
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	-	-	-	-	-
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	-	-	353,409	-	353,409

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2018

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified? ☐ Yes ☒ No

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

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

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified? ☐ Yes ☒ No

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

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

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

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Section 8 Housing Choice Voucher Program	14.871
Capital Fund Program	14.872

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

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

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2018

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