

**HOUSING AUTHORITY OF
THE CITY OF GREENVILLE**

**FINANCIAL STATEMENTS
AND
REPORTS OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

FOR YEAR ENDED DECEMBER 31, 2019

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Commissioners

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component unit of The Housing Authority of the City of Greenville, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise The Housing Authority of the City of Greenville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of The Housing Authority of the City of Greenville as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Housing Authority of the City of Greenville's basic financial statements. The Financial Data Schedule, required by Uniform Financial Reporting Standards issued by the U.S. Department of Housing and Urban Development and the Schedule of Expenditures of Federal Awards, as required by 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), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020 on our consideration of The Housing Authority of the City of Greenville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Housing Authority of the City of Greenville's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Maletta & Company", with a stylized flourish at the end.

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
December 2, 2020

**HOUSING AUTHORITY OF THE CITY OF GREENVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 Primary Government 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. Please review it in conjunction with the Authority's basic financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

- The Authority and its development team began construction on the Preserve at Logan Park. To which the Authority committed \$2 million along with various other grants towards the total development cost of approximately \$30 million. The total amount of construction in progress incurred through the end of the year was approximately \$17 million.
- The Authority's basic financial statements reflect a current ratio, adjusted to remove restricted elements, of 25:1 in the current year, an increase from 20:1 in the prior year. Current ratio measures an entity's liquidity and is computed by dividing current assets by current liabilities. A ratio of greater than one generally signifies a high performing entity as assets are available to pay liabilities. Expectations are for this ratio to dip slightly as the Authority continues investing accumulated resources into development projects.
- The Authority's Change in Net Position increased \$711,961. This surplus is higher than typical due to receipt of Developer Fees for various projects totaling \$295,992 and Other Government grants to be used for development totaling \$750,000. Irrespective of the increased surplus, the Authority had a positive year continuing its trend of accumulating resources to meet its goals.
- The Authority's Unrestricted Net Position totals \$19,598,532. Further, the spendable Unrestricted Net Position derived by adjusting out noncurrent assets of \$15,089,151 was \$4,509,381 as of December 31, 2019 an increase from \$3,553,412 from the prior year. The adjusted Unrestricted Net Position equates to approximately 14 months of operating expenses, signifying financial strength. The Authority expects this number to decrease slightly in the future as it invests resources into developments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows (on pages 6-9) provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances. Financial information by program is included in the HUD Financial Data Schedule this information tells how these services were financed in the short term as well as what remains for future spending. Program financial information also reports the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most financially significant programs.

**HOUSING AUTHORITY OF THE CITY OF GREENVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019**

The Statements of Net Position and Revenues, Expenses and Changes in Net Position

The Statements provide information about the Authority as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting that is used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net position and changes in them. The difference between assets and liabilities or net position is one way to measure the Authority's financial health. Over time, increases or decreases in the net position are one indicator of whether its financial position is improving or deteriorating.

The higher the net position figure is, generally, the better the financial position. However, this information does not reflect ongoing fluctuations in the economic climate, regulatory changes, or other external forces that impact an entity's financial position, but which may not be quantifiable as of the financial statement date.

The Authority's total net position was \$40,837,487 as of December 31, 2019.

**Table 1
Statement of Net Position (in Thousands)**

	2019	2018	Change
Cash & Investments	\$ 7,386	\$ 5,841	\$ 1,545
Other Current Assets	393	589	(196)
Noncurrent Assets and Deferred Outflows	33,524	34,172	(648)
Total Assets and Deferred Outflows	41,303	40,602	701
Current Liabilities	406	394	12
Noncurrent Liabilities	60	82	(22)
Total Liabilities	466	476	(10)
Invested in Capital Assets	18,435	19,671	(1,236)
Restricted	2,804	2,400	404
Unrestricted	19,598	18,055	1,543
Total Net Position	<u>\$ 40,837</u>	<u>\$ 40,126</u>	<u>\$ 711</u>

The increase in Cash & Investments of \$1,545 thousand closely aligns to operating surplus adjusted for depreciation as noted in the Increase to Unrestricted Net Position above of \$1,543. Specific factors for this increase are discussed in more detail on Table 2.

The decrease in Current Assets of (\$196) thousand primarily relates to funds due back for the Preserve at Logan development. As an active development, the Authority continuous funds costs related to development and is reimbursed for those costs as appropriate. Such balance was reduced approximately \$300,000 this year, due to reconciliation and settlement of such development activities.

The increase in Invested in Capital Assets net position of (\$1,236) thousand relates primarily to the sale of scattered sites which generated approximately \$400,000 in funds to the Authority. Detailed activity is shown in Table 3.

All other changes represent normal fluctuations in the operating cycle.

**HOUSING AUTHORITY OF THE CITY OF GREENVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Table 2 compares the 2019 Change in Net Position to the 2018 Change in Net Position.

**Table 2
Changes in Net Position (in Thousands)**

	2019	2018	Change
Revenues			
Government Grants	\$ 24,156	\$ 23,108	\$ 1,048
Rental Income	442	517	(75)
General Revenue	941	3,899	(2,958)
Total Revenue	25,539	27,524	(1,985)
Expenses			
Administrative & Tenant Services	2,621	2,720	(99)
Maintenance	525	502	23
Utilities	56	95	(39)
General	746	791	(45)
Housing Assistance Payments	20,112	19,447	665
Depreciation	768	864	(96)
Total Expenses	24,828	24,419	409
Change in Net Position	<u>\$ 711</u>	<u>\$ 3,105</u>	<u>\$ (2,394)</u>

The increase in Government Grants of \$1,048 thousand is primarily due to \$750,000 received for use in the Preserve for Logan Park development. The grants consist of \$500,000 from the Federal Home Loan Bank Affordable Housing Program and \$250,000 for the SC Department of Mental Health.

The decrease in General Revenue of (\$2,958) thousand relates to the \$3,187,404 gain from sale of Capital Assets formerly known as the Garden Apartments in the prior year. The sale occurred in November 2018 and is now part of the Preserve at Logan development for which additional resources and development activity is ongoing throughout 2019 and 2020.

Housing Assistance Payments increased \$665 thousand due primarily to increases in contract rents for the Housing Choice Voucher program. The Authority expects HAP to increase further next year with additional vouchers being leased related to the Preserve at Logan development.

Decreases in expenses were experienced due to organization changes in staffing as well as property changes such as the sale of Garden Apartments in prior year, resulting in reduced operating costs in the current year.

All other expense changes represent normal fluctuations in the operating cycle.

The Financial Data Schedule beginning on page 21 presents a more detailed picture of the activity and balances of the various programs. The reasons for significant changes have been identified above.

**HOUSING AUTHORITY OF THE CITY OF GREENVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2019, the Authority has \$18,435,000 invested in a broad range of capital assets, including land, buildings, furniture, and equipment as follows:

**Table 3
Capital Assets**

Primary Government	Beginning	Additions	Dispositions	Ending
Nondepreciable Assets:				
Land	\$ 5,555,989	\$ -	\$ (58,617)	\$ 5,497,372
Construction in Progress	-	-	-	-
Depreciable Assets:				
Buildings & Improvements	21,612,957	-	(1,020,598)	20,592,359
Leasehold Improvements	327,273	-	-	327,273
Land Improvements	3,151,742	-	-	3,151,742
Furniture & Equipment	383,811	-	(24,977)	358,834
Total	31,031,772	-	(1,104,192)	29,927,580
Less: Accumulated Depreciation	(11,361,004)	(768,133)	636,557	(11,492,580)
Net Book Value	\$ 19,670,768			\$ 18,435,000

The Authority sold multiple scattered site assets for approximately \$400,000 in cash proceeds, which approximately reflected its net cost in the underlying assets. Otherwise, there was no other capital activity at the Primary Government during the year.

Long-Term Debt

The Authority continues to operate without long-term debt. All debt of the reporting entity rests with the discretely presented component units and collateralized against the underlying properties.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Significant economic factors affecting the Authority are as follows:

- The impact of COVID on program procedures, costs to maintain safety and its effect on the housing market.
- CARES Act funding and its effect on compliance reporting.
- Federal funding provided by Congress to the Department of Housing and Urban Development
- Continued development activities including completion of new units and organizational changes due to shift in workloads.
- Staff restructuring following multiple senior positions vacated as well as changes in the organizational structure and needs.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary rates and employment are trending up which affect residents' income and therefore, rental income to the Authority.

**HOUSING AUTHORITY OF THE CITY OF GREENVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019**

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Authority's Executive Director at The Housing Authority of the City of Greenville, at 122 Edinburg Court, Greenville, SC, 29607.

HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019

	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	4,361,004	46,231
Cash and Cash Equivalents - Restricted	3,025,452	819,033
Accounts Receivable		
Tenants, net of Allowances	25,892	10,213
Other	289,352	4,910
Prepaid Expenses	78,231	26,320
Total Current Assets	<u>7,779,931</u>	<u>906,707</u>
Noncurrent Assets		
Capital Assets, Net of A/D		
Nondepreciable	5,497,372	-
Depreciable	12,937,628	6,370,536
Notes Receivable, net of Allowances	14,462,177	-
Equity Interest in Component Units	608,962	-
Other Noncurrent Assets	18,012	149,089
Total Noncurrent Assets	<u>33,524,151</u>	<u>6,519,625</u>
Total Assets	<u>41,304,082</u>	<u>7,426,332</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Accounts Payable - Vendors and Contractors	137,999	9,451
Accounts Payable - Other	35,721	60,687
Accrued Wages and Related Payables	516	-
Accrued Compensated Absences	5,226	411
Accrued Interest	-	15,284
Accrued Liabilities - Other	-	38,751
Security Deposits and FSS Escrows	221,997	51,374
Current Portion of Mortgages Payable	-	68,001
Unearned Revenue	5,034	128,817
Total Current Liabilities	<u>406,493</u>	<u>372,776</u>
Noncurrent Liabilities		
Long-Term Debt	-	10,868,682
Accrued Compensated Absences	60,102	4,730
Other Noncurrent Liabilities	-	124,556
Total Noncurrent Liabilities	<u>60,102</u>	<u>10,997,968</u>
Total Liabilities	<u>466,595</u>	<u>11,370,744</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	18,435,000	(4,212,271)
Restricted for:		
Modernization and Development	2,785,422	388,863
Housing Assistance Payments	-	-
Other	18,533	259,853
Unrestricted	19,598,532	(380,857)
Total Net Position	<u>\$ 40,837,487</u>	<u>\$ (3,944,412)</u>

*The accompanying notes are an integral
part of the financial statements.*

HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Primary Government	Discretely Presented Component Unit
Operating Revenue		
Rental Revenue	\$ 441,867	\$ 670,419
HUD Operating Grants	23,406,489	-
Fees for Other Services	686,534	-
Other Government Grants	750,000	628,743
Other Revenue	107,764	9,495
Total Operating Revenue	25,392,654	1,308,657
Operating Expenses		
Administrative & Tenant Services	2,511,023	311,756
Utilities	55,719	95,070
Ordinary Maintenance and Operations	509,890	366,021
Insurance Premiums	100,833	74,548
General	757,646	309,845
Housing Assistance Payments	20,112,061	-
Depreciation	768,133	458,742
Total Operating Expenses	24,815,305	1,615,982
Operating Income (Loss)	577,349	(307,325)
Nonoperating Revenues (Expenses)		
Nonroutine Maintenance and Replacement	(12,459)	(29,694)
Investment Income	133,071	515
Interest Expense	-	(532,871)
Gain (Loss) from Sale of Assets	14,000	-
Total Nonoperating Revenues (Expenses)	134,612	(562,050)
Income (Loss) before Capital Contributions	711,961	(869,375)
Capital Contributions	-	-
Change in Net Position	711,961	(869,375)
Net Position, Beginning of Period - Restated	40,125,526	(3,075,037)
Net Position, End of Period	\$ 40,837,487	\$ (3,944,412)

*The accompanying notes are an integral
part of the financial statements.*

HOUSING AUTHORITY OF THE CITY OF GREENVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash Received from Operations	\$ 1,789,274
HUD Operating Grants	23,345,081
Payments to Landlords	(20,112,061)
Payments to Vendors	(2,541,463)
Payments to Employees	(1,340,256)
Other Receipts (Payments)	388,896
Net Cash Provided by (Used in) Operating Activities	<u>1,529,471</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	-
Proceeds from Sale of Capital Assets	389,935
Proceeds from Insurance	80,999
Net Cash Provided by (Used in) Capital Related Financing Activities	<u>470,934</u>
Cash Flows from Investing Activities:	
Transfer to Investments	-
Net Issuance of Notes Receivable	(462,099)
Investment in Affiliate	-
Net Investment Income (Loss)	7,296
Net Cash Provided by (Used in) Investing Activities	<u>(454,803)</u>
Net Increase (Decrease) in Cash	1,545,602
Cash at the Beginning of the Period	<u>5,840,854</u>
Cash at the End of the Period	<u><u>\$ 7,386,456</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating Income (Loss)	\$ 577,349
Adjustments to Reconcile Change in Net Cash Provided by Operating Activities:	
Depreciation Expense	768,133
Nonroutine Maintenance	(1,760)
Change in Operating Assets and Liabilities:	
Decrease (Increase) in Receivables	189,626
Decrease (Increase) in Inventory	-
Decrease (Increase) in Prepaid Expenses	5,692
Increase (Decrease) in Accounts Payable	61,780
Increase (Decrease) in Other Liabilities	(71,349)
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,529,471</u></u>
Noncash Capital Related Financing and Investing Activities:	None

*The accompanying notes are an integral
part of the financial statements.*

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of The Housing Authority of the City of Greenville (“the Authority”) is presented to assist in understanding the Authority’s financial statements. The financial statements and notes are representations of the Authority’s management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Reporting Entity

The Authority was created in 1938 under the laws of the State of South Carolina for the purpose of providing adequate housing for qualified low-income individuals. These programs are subsidized by the federal government through the U.S. Department of Housing and Urban Development (HUD), for financial assistance for low-income public housing pursuant to the United States Housing Act of 1937, as amended. As such, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development (“HUD”) to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The Authority’s combined financial statements include the accounts of all the Authority’s operations. The criteria for including organizations as component units within the reporting entity, as set forth in The Governmental Accounting Standards Board (GASB)’s Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization’s board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority’s Board of Commissioners or the component unit provides services entirely to the Authority. These component units’ funds are blended into those of the Authority’s by appropriate activity type to compose the primary government presentation.

Currently, the Authority has one component unit that meet the criteria for blending.

Greenville Redevelopment Corporation (GRDC/the Corporation) was incorporated by the Authority as a not-for-profit corporation under the laws of the State of South Carolina for the purpose of facilitating residential development for the benefit of low-income individual in the Greenville community. The Directors of GRDC are the same individuals who serve on the Board of Commissioners of the Authority. Currently, the blended component unit’s significant activities include the operation of three former HUD public housing projects that have undergone conversion under HUD’s Rental Assistance Demonstration (RAD) initiative, known as GAH Scattered Sites, GAH Arcadia Hills, and GAH Ridgeway. In addition, GRDC holds various levels of ownership and control of multiple Low-Income Housing Tax Credit partnerships through ownership of 10 single member subsidiaries named GRDC I – X, LLC. The component units’ 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 HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

The Authority controls the general partners of certain Low-Income Housing Tax Credit (LIHTC) partnerships. The partnerships' interests are held by third parties unrelated to the Authority. As the general partner (or majority interest owner of general partner), the Authority has certain rights and responsibilities which enable it to impose its will on the limited partnerships. Additionally, the Authority has a financial benefit and burden relationship as the Authority has assumed the obligation to provide financial support to the organizations and has imposed its will over the entities. The partnership does not serve the primary government exclusively, or almost exclusively, and therefore, is shown as a discretely presented component unit.

Currently, the Authority has three component units that meets the criteria for discrete presentation.

Valley Creek Associates, LP (Valley Creek), is a limited partnership, formed in 2001, to acquire, own, and operate a 48-unit rental property that qualifies for low-income housing tax credits under §42 of the Internal Revenue Code.

335 Greenacre Road, LP (Charleston Place), is a limited partnership, formed to acquire, construct, own, finance, and operate a 40-unit rental property that qualifies for low-income housing tax credits under §42 of the Internal Revenue Code.

50 Ramsey Court, LP (Forestview), is a limited partnership, formed to acquire, construct, own, finance, and operate a 72-unit rental property that qualifies for low-income housing tax credits under §42 of the Internal Revenue Code.

Complete financial statements of the discretely presented component unit may be obtained at the Authority's administrative office: the Housing Authority of the City of Greenville, 122 Edinberg Court, Greenville, SC 29607.

Payments between the Authority and Component Units

Certain transactions that are subject to regulatory oversight are reporting as external transactions (revenues and expenses) and eliminated during consolidation. Of which, balances and/or transactions between the blended component unit and the primary government provided during 2019 were: rental subsidies provided through the HAP contract fees for services charged to the component unit, of which \$728,730 and \$199,937, which were eliminated during consolidation, respectively. Resource flows between the primary government and the discretely presented component unit are reported as external transactions (revenues and expenses). Transactions during 2019 consist of development service fees, interest earned on notes receivable, rental subsidies and fees for services totaling \$185,025, \$344,746 \$628,743 and \$66,222, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses used during the reporting period. Actual results could differ from those estimates. Significant estimates include the economic lives of capital assets.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

The Authority's funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation are included on the Statement of Net Position.

Operating Revenue includes rental income, operating grants, management services income and all other revenue relating to the provision of safe, decent, and affordable housing that do not result from transactions defined as capital and related financing, non-capital and related financing, or investing activities. Operating expenses include wages, housing assistance payments, utilities, maintenance, depreciation, and all other expenses relating to the provision of safe, decent, and affordable housing that do not result from transactions defined as capital and related financing, non-capital and related financing, or investing activities.

In addition, the Authority receives capital grants from HUD to be used for various purposes connected with the planning, modernization, and expansion of housing facilities and equipment. Receipts used for non-capitalizable costs are reported as operating revenue and receipts used for capitalization costs are reported as capital contributions.

The financial statements of the Authority are prepared in accordance with U.S. generally accepted accounting principles (GAAP). GASB is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The financial statements include:

1. Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.
2. Financial statements prepared using full accrual accounting for all the Authority's activities.

The Authority has elected to report as a single enterprise proprietary fund and its primary operations comprise of several housing and grant programs as follows:

- The ***Housing Choice Voucher Program*** provides rental housing assistance in support of 3,049 housing units, of which 772 are dedicated to Project Based Vouchers (PBV). The Authority is also allocated additional vouchers related to the VASH subprogram. The purpose of the program is to provide decent and affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units (other than PBV units) are owned, maintained, and managed by private landlords.
- ***Business Activities*** was established to account for ongoing and future activities currently consisting of the redevelopment of its public housing stock under HUD RAD. As such, it accounts for fees generated related to development. In addition, it accounts for the management of properties that have already undergone RAD conversions.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- The **Public Housing Program** operates under HUD's Annual Contribution Contract and consists of the operations of low rent public housing properties totaling 155 units. The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned by the Authority and managed by a private management company. Funding of the program is provided by federal annual contributions, operating subsidies, and tenant rentals (determined as a percentage of family income, adjusted for family composition). All units have received reservations under HUD's Rental Demonstration Program (RAD) whereby the units will be removed from the Public Housing Program and released from the ACC under a RAD PBV contract, estimated to be completed in 2021.
- The **Capital Fund Program** accounts for the capital and management improvement activities, primarily for the modernization and development of low-rent public housing units.
- The **Resident Opportunities and Support Services (ROSS) and Family Self Sufficiency (FSS) Programs** provide public housing residents with resident supportive services, resident empowerment activities and provides Housing Choice Voucher participants assistance in becoming economically self-sufficient

Cash and Cash Equivalents

Cash and cash equivalents represent cash in checking accounts, demand deposits or short-term investments with original maturities of three months or less.

Accounts Receivable

Management periodically assesses the collectability of its receivables and establishes an allowance for uncollectible accounts for all accounts it deems uncollectible. Currently, the allowance established for tenant, fraud and interest receivables is \$200, \$-0- and \$-0-, respectively.

Capital Assets

Land, buildings, and equipment are stated at cost and depreciated over their estimated useful lives. The capitalization threshold is \$5,000. Donated assets are recorded at estimated market value as of the date of the donation. Construction in progress costs are not depreciated until the corresponding projects are completed. Depreciation has been provided over the following useful lives using the straight-line method of depreciation as follows:

Building and Improvements	10 to 30 years
Machinery and Equipment	5 to 10 years

Leases

The Authority leases substantially all its building and dwelling equipment to tenants for a period of one year, cancellable upon sufficient notice. As of December 31, 2019, the total cost of leased property was \$19,940,523 with accumulated depreciation of \$10,047,915, for a carrying value of \$12,937,628. In addition, the Authority leases parcels of land with a carrying value of \$550,176. Land lease revenue over the next five years is \$1,813 per year.

Compensated Absences

Employees accumulate universal leave for subsequent use or payment upon termination. Compensated absences are accrued when incurred and reported as a liability until paid.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences

Employees accumulate universal leave for subsequent use or payment upon termination. Compensated absences are accrued when incurred and reported as a liability until paid.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position of fund balance that applies to future periods and will be recognized as revenue, or a reduction in expense, in future periods.

Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Equity Classifications

Equity is classified as net position and displayed in three components in the Statement of Net Position.

Net Investment in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation and 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. The Authority has no related debt.

Restricted consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations or other governments; or (2) law through constitutional provisions or enabling legislation. The Authority's restricted net position consists of disposition proceeds held in escrow for use in future modernization projects as required by HUD, committed resources for development projects and unspent Housing Assistance Payments restricted from use by HUD.

Unrestricted consists of all other net position that does not meet the definition of Restricted or Net Investment in Capital Assets.

NOTE 2 – NET POSITION - RESTATEMENT

The financials of the Discretely Presented Component units were previously presented on a different basis of accounting. These financials are now presented in accordance with Governmental Accounting Standards, thereby applying GASB 65 for debt issuance costs. This change increases long term liabilities and decreases net position \$64,641.

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Deposits

The Authority maintains cash with FDIC depository banks. At times, these balances may exceed the Federal insurance limits; however, the Authority has not experienced any losses with respect to its bank balances in excess of government provided insurance. In addition, uninsured balances are fully collateralized through agreements with the financial institution. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2019.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONT'D)

The breakdown of restricted deposits reported as of December 31, 2019 is as follows:

Restrictions on Deposits	Primary Government	Discretely Presented Component Unit
Restricted Cash - Modernization & Development	\$ 2,785,422	\$ 388,863
Restricted Cash - Housing Assistance Payments	-	-
Restricted Cash - FSS Escrows	169,086	-
Restricted Cash - Operating Reserves	-	140,951
Restricted Cash - Current Liability	-	119,023
Restricted Cash - Taxes & Insurance	-	118,902
Restricted Cash - Other	18,533	-
Restricted Cash - Security Deposits	52,411	51,294
Total	<u>\$ 3,025,452</u>	<u>\$ 819,033</u>

NOTE 4 – ACCOUNTS RECEIVABLE – OTHER

Accounts receivable – Other represents all receivables other than tenant receivables as follows:

	Amount	Program
Accounts Receivable - HUD	\$ 48,889	Housing Choice Voucher / FSS
Accounts Receivable - Port-in	29,097	Housing Choice Voucher / FSS
Accounts Receivable - HUD	110,142	Capital Fund Program
Accounts Receivable - Charleston Place	30,000	GRDC (BCU)
Accounts Receivable - Valley Creek	29,294	Business Activities
Accounts Receivable - Preserve at Logan	41,930	Business Activities
Total	<u>\$ 289,352</u>	

NOTE 5 – OTHER NONCURRENT ASSETS

The Authority invests in current and future mixed finance projects primarily through funding development in the form of notes receivable from the related development. Notes receivable are recorded upon completion and are long-term in nature. Notes include certain funding provided to the Discretely Presented Component Unit, reported, and included as noncurrent liabilities in Note 7; all other balances are as follows:

Evergreen Place Loan

Funding provided to construct Evergreen totaling \$8,332,111. The loan consists of \$8,036,645 funded through the HOPE VI program and \$295,465 funded by the Authority's program income. The projects are owned and operated by Three Hundred Nichol Street, LP, while the Authority has a minority ownership interest in the project. Loan terms include annual payments of principal and interest payable from Surplus Cash as defined in the partnership agreement. Interest accrues at a simple rate of 3.00% per year and matures on December 1, 2051. As of December 31, 2019, accrued interest totaled \$2,955,724. No surplus cash was available for payment.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 – OTHER NONCURRENT ASSETS (CONT'D)

Nicholtown Loan

Funding provided to construct Nicholtown totaling \$2,156,522. The loan consists of \$1,679,062 funded through the HOPE VI program and \$477,460 funded by the Authority's program income. The project is owned and operated by Nichol Town Green, LP, while the Authority has a minority ownership interest in the project. Loan terms include annual payments of principal and interest payable from Surplus Cash as defined in the partnership agreement. Interest accrues at a rate of 4.72% per year and matures on December 1, 2052. As of December 31, 2019, accrued interest totaled \$1,503,723. No surplus cash was available for payment.

Clark Ridge Loan

Funding provided to construct Clark Ridge totaling \$1,759,302. The loan consists of \$313,218 funded through the HOPE VI program, \$801,463 funded by the Authority's RHF funds and \$644,621 funded by the Authority's program income. The project is owned and operated by Clark Street, LP, while the Authority has a minority ownership interest in the project. Loan terms include annual payments of principal and interest payable from Surplus Cash as defined in the partnership agreement. Interest accrues at a rate of 5.00% per year and matures on April 15, 2053. As of December 31, 2019, accrued interest totaled \$1,151,832 and outstanding principal totaled \$1,627,194. No surplus cash was available for payment.

Harbor/Gallery Loan (Sellers Note)

A note was provided to Harbor/Gallery totaling \$4,352,990 as part of the financing agreement for the sale of the property to West Greenville II, LLC. The Authority has a minority ownership interest in the project. Loan terms include annual payments of principal and interest payable from Surplus Cash as defined in the partnership agreement. Interest accrues at a simple rate of 2.55% per year and matures on November 1, 2057. As of December 31, 2019, accrued interest totaled \$196,624. No surplus cash was available for payment.

Harbor/Gallery Loan

Funding provided to construct Harbor/Gallery totaling \$1,385,000. The project is owned and operated by West Greenville II, LLC, while the Authority has a minority ownership interest in the project. Loan terms include annual payments of principal and interest payable from Surplus Cash as defined in the partnership agreement. Interest is to accrue at a rate of 1.00% per year commencing on May 1, 2030 and matures on November 1, 2057. As of December 31, 2019 the balance of the loan totaled \$1,350,000.

Seller Note – Preserve at Logan Park

Note provided to Preserve at Logan Park to purchase the former Public Housing property known as Garden Apartments in 2018. The note is nonrecourse debt, second in priority, collateralized by real estate, and accrues interest at 3.22% per annum. Annual payments are due in an amount equal to 50% of the Excess Cash Flow, as defined in the Operating Agreement, until the maturity date of December 1, 2058, at which time any remaining principal and interest balance is due. As of December 31, 2019, accrued interest totaled \$121,005.

TGHA Note Payable – Preserve at Logan Park

Permanent financing to construct Preserve at Logan Park in the maximum amount of \$2,500,000. The note is nonrecourse debt, fifth in priority, secured by real estate and bears interest at 1.00% per annum. Annual payments in an amount equal to 10% of the Excess Cash Flow, as defined in the Operating Agreement, and are due on the first of December beginning December 1, 2019. As of December 31, 2019, accrued interest totaled \$4,085.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 – OTHER NONCURRENT ASSETS (CONT'D)

AHP Note Payable – Preserve at Logan Park

Permanent financing to construct Preserve at Logan Park through a grant obtained from the Federal Home Loan Bank of Atlanta in the amount of \$500,000. The note is sixth in priority, is non-amortizing, nonrecourse debt secured by real estate and bears interest at 0.50% per annum. A single lump sum payment of principal and interest is due and payable on December 1, 2058. As of December 31, 2019, accrued interest totaled \$685.

Investment in Charleston Place

Payment for the purchase of General Partner interest in 335 Greenacre Road, LP totaled \$80,972. Charleston Place is a LIHTC property in which the Authority provides PBV assistance. The interest gives the Authority control of this development.

Investment in Forestview

Payment for the purchase of General Partner interest in 50 Ramsey Court, LP totaled \$46,002. Forestview is a LIHTC property in which the Authority provides PBV assistance. The interest gives the Authority control of this development.

Investment in Valley Creek

Cost of purchase of General Partner interest in Valley Creek Associates, LP totaled \$481,988. Valley Creek is a LIHTC property in which the Authority provides PBV assistance. The interest gives the Authority control of this development.

A summary of noncurrent assets is as follows:

	Beginning	Additions	Deductions	Ending	Due Within One Year
Charleston Place Loan (Note 7)	\$ 827,258	\$ 45,499	\$ -	\$ 872,757	\$ -
Charleston Place Loan (IDRR, Note 7)	76,500	1,530	-	78,030	-
Evergreen Place Loan	11,037,871	249,963	-	11,287,834	-
Forestview Loan (Note 7)	4,682,000	257,510	-	4,939,510	-
Nicholtown Loan	3,495,305	164,940	-	3,660,245	-
Clark Ridge Loan	2,646,642	132,384	-	2,779,026	-
Valley Creek Loan (Note 7)	1,939,926	40,207	-	1,980,133	-
Harbor/Gallery Loan (Sellers Note)	4,549,614	-	-	4,549,614	-
Harbor/Gallery Loan	1,385,000	-	(35,000)	1,350,000	-
Preserve Loan (Sellers Note)	3,455,000	121,005	-	3,576,005	-
Preserve Loan (GHA)	419,472	54,655	(55,000)	419,127	-
Preserve Loan (AHP)	-	500,685	-	500,685	-
Other Assets - Valley Creek	18,012	-	-	18,012	-
Investment in Charleston Place	80,972	-	-	80,972	-
Investment in Forestview	46,002	-	-	46,002	-
Investment in Valley Creek	481,988	-	-	481,988	-
Total Noncurrent Assets	35,141,562	1,568,378	(90,000)	36,619,940	-
Less: Allowance	(20,640,284)	(890,505)	-	(21,530,789)	-
Net Noncurrent Assets	<u>\$ 14,501,278</u>	<u>\$ 677,873</u>	<u>\$ (90,000)</u>	<u>\$ 15,089,151</u>	<u>\$ -</u>

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 – CAPITAL ASSETS (CONT'D)

The following is a summary of changes in Capital Assets during the year.

Primary Government	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending</u>
Nondepreciable Assets:				
Land	\$ 5,555,989	\$ -	\$ (58,617)	\$ 5,497,372
Construction in Progress	-	-	-	-
Depreciable Assets:				
Buildings & Improvements	21,612,957	-	(1,020,598)	20,592,359
Leasehold Improvements	327,273	-	-	327,273
Land Improvements	3,151,742	-	-	3,151,742
Furniture & Equipment	383,811	-	(24,977)	358,834
Total	31,031,772	-	(1,104,192)	29,927,580
Less: Accumulated Depreciation	<u>(11,361,004)</u>	<u>(768,133)</u>	<u>636,557</u>	<u>(11,492,580)</u>
Net Book Value	<u>\$ 19,670,768</u>			<u>\$ 18,435,000</u>
Discretely Presents Component Units	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending</u>
Nondepreciable Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Depreciable Assets:				
Buildings & Improvements	12,133,134	32,112	-	12,165,246
Land Improvements	689,285	26,610	-	715,895
Furniture & Equipment	213,934	-	-	213,934
Total	13,036,353	58,722	-	13,095,075
Less: Accumulated Depreciation	<u>(6,265,797)</u>	<u>(458,742)</u>	<u>-</u>	<u>(6,724,539)</u>
Net Book Value	<u>\$ 6,770,556</u>			<u>\$ 6,370,536</u>

Significant Additions and Dispositions

Significant disposals of the Primary Government include the sale of eight scattered sites properties with proceeds totaling \$389,935.

NOTE 7 – MORTGAGE AND NOTES PAYABLE

Discretely Presented Component Units:

Charleston Place
TGHA Note Payable

Charleston Place obtained financing from TGHA on July 27, 2006 in the original amount of \$441,998. The loan bears interest at the greater of 5.5% per annum or the highest long-term annual compounding applicable federal rate, and is nonrecourse debt, secured by the Property. All outstanding principal and accrued interest is due at maturity on December 31, 2047. As of December 31, 2019, the note payable principal balance was \$441,998 and accrued interest was \$430,759.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 – MORTGAGE AND NOTES PAYABLE (CONT'D)

AHP Note Payable

Charleston Place obtained a subordinate loan originally due to TGHA and subsequently transferred to BB&T as the member bank of the Federal Home Loan Bank of Atlanta (the “Lender”) on December 7, 2005 in the original amount of \$225,000. The subsidy does not bear interest and the Partnership is required to repay the portion of the subsidy (plus interest, if deemed appropriate by the Lender) that is not used in compliance with the terms of the Affordable Housing Program Agreement during a 15-year period commencing on December 7, 2005. The balance payable as of December 31, 2019 was \$225,000.

IDRR Note Payable

Charleston Place obtained financing from TGHA on December 21, 2017 in the original amount of \$75,000. The loan bears interest at 2% per annum, compounded annually and payable upon Disposition in accordance with the terms of the Partnership agreement. Loan proceeds were used to fund the Initial Deposit Replacement Reserve (IDRR) as required by HUD as part of the RAD Conversion. The note is unsecured, nonrecourse debt. As of December 31, 2019 the note payable principal balance was \$75,000 and accrued interest totaled \$3,030.

Forestview

SA Affordable Housing Note Payable

Construction and permanent financing for Forestview was provided by SA Affordable Housing, LLC, an affiliate of the Limited Partner, under a loan commitment of \$2,500,000. On May 6, 2009, the Limited Partner's first capital contribution was used to pay \$1,000,000 of the outstanding construction loan debt and the remaining \$1,500,000 loan balance was converted to a permanent loan. The loan is secured by a first deed of trust in all the Partnership's property and leasehold interest and bears interest at 7.361% per annum. Monthly payments of principal and interest in the amount of \$10,346 began upon closing of permanent financing. Any remaining principal and interest shall be due and payable on June 1, 2025. In conjunction with this loan, the Partnership is also required to make annual deposits equal to \$250 per unit to the replacement reserve escrow. In July 2018, the Partnership drew down additional funds in order to pay down the balance of the LP loan. As a result, the Partnerships monthly principal and interest payments increased to \$12,542. As of December 31, 2019 the note payable principal balance was \$1,570,499 and accrued interest totaled \$9,634.

TGHA Note Payable

Forestview obtained additional financing from TGHA in the original amount of \$2,667,359, of which \$1,044,583 was funded by the HOPE VI program and \$1,622,776 was funded by the Authority's capital fund. The loan bears interest of 5.5% per annum, and is nonrecourse debt, secured by the Property. Loan terms include annual payments of principal and interest payable from Surplus Cash as defined in the partnership agreement. The loan matures on June 20, 2052. As of December 31, 2019, the note payable principal balance was \$2,667,359 and accrued interest totaled \$2,272,150.

Accrued Interest – SunAmerica Housing

The Limited Partner provided Forestview with an Excess LP Loan in the amount of \$422,858 under the terms of the Partnership Agreement. The outstanding principal balance was repaid as of December 31, 2019, and no further interest will be incurred. As of December 31, 2019, accrued interest totaled \$275,846, and is payable from Net Cash Flow.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 – MORTGAGE AND NOTES PAYABLE (CONT'D)

Valley Creek

Grandbridge Mortgage

The Partnership obtained permanent financing from Grandbridge Real Estate Capital, LLC in the original amount of \$1,260,000. The loan bears interest at 6.815% per annum and is secured by a first deed of trust on the Property. The loan requires monthly payments of principal and interest totaling \$8,227. As of December 31, 2019, accrued interest on this note totaled \$5,650.

TGHA Note Payable

The Partnership obtained a subordinate loan from TGHA, in the original amount of \$1,340,212. The loan bears interest at 3% per annum and is secured by a pledge of its leasehold interest in the land and land improvements comprising the Property. The principal balance and accrued interest are due and payable on December 31, 2033. As of December 31, 2019, accrued interest on this note totaled \$639,920.

A schedule of long-term debt for the year ended December 31, 2019 is as follows:

	Beginning	Additions	Deductions	Ending	Due Within One Year
Charleston Place					
TGHA Note Payable	\$ 827,258	\$ 45,499	\$ -	\$ 872,757	\$ -
AHP Note Payable	225,000	-	-	225,000	-
IDRR Note Payable	76,500	1,530	-	78,030	-
Forestview					
SA Affordable Housing Note	1,604,043	-	(33,544)	1,570,499	36,098
TGHA Note Payable	4,681,999	257,510	-	4,939,509	-
Accrued Interest	275,846	-	-	275,846	-
Valley Creek					
Grandbridge Mortgage	1,024,717	-	(29,807)	994,910	31,903
TGHA Note Payable	1,939,926	40,206	-	1,980,132	-
Total Long Term Debt	<u>\$10,655,289</u>	<u>\$ 344,745</u>	<u>\$ (63,351)</u>	<u>\$10,936,683</u>	<u>\$ 68,001</u>
			Less: Current Portion	(68,001)	
			Long-Term Portion	<u>\$10,868,682</u>	

Annual maturities of long-term obligations of the Discretely Presented Component Units are as follows:

Years Ending	Principal	Interest	Total
2020	\$ 293,001	\$ 181,221	\$ 474,222
2021	72,994	176,228	249,222
2022	156,383	170,869	327,252
2023	84,105	165,116	249,221
2024	90,282	160,253	250,535
2025-2029	1,894,067	284,100	2,178,167
2030-2034	2,342,350	131,392	2,473,742
2035-2039	191,235	14,436	205,671
2040-2044	-	-	-
2045-2049	872,757	-	872,757
2050-2054	4,939,509	-	4,939,509
	<u>\$10,936,683</u>	<u>\$ 1,283,615</u>	<u>\$12,220,298</u>

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – HOUSING CHOICE VOUCHER NET POSITION

The summary of HCV program balances is as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Beginning Net Position	\$ 414,145	\$ -	\$ 414,145
Revenue			
HUD Operating Grants	1,801,103	20,766,598	22,567,701
Fraud Recovery	5,361	5,361	10,722
Other Income	55,944	15,152	71,096
Total Revenue	<u>1,862,408</u>	<u>20,787,111</u>	<u>22,649,519</u>
Expenses			
Operating	(1,849,470)	-	(1,849,470)
Housing Assistance Payments	(53,680)	(20,787,111)	(20,840,791)
Total Expenses	<u>(1,903,150)</u>	<u>(20,787,111)</u>	<u>(22,690,261)</u>
Net Result	<u>(40,742)</u>	<u>-</u>	<u>(40,742)</u>
Ending Net Position	<u>\$ 373,403</u>	<u>\$ -</u>	<u>\$ 373,403</u>
HUD-Held Program Reserves (HHR)		<u>\$ 7,520</u>	

NOTE 9 – HUD CAPITAL FUND PROGRAM

The Authority is provided HUD development funds for modernization projects and replacement housing. Grant expenditures were audited in accordance with program requirements. The following completed grants have been fully expended, disbursed and liabilities fully paid as of December 31, 2019:

	<u>SC16P004</u>
	<u>501-17</u>
Funds Authorized	<u>\$ 734,116</u>
Funds Advanced	734,116
Less Project Expenditures	<u>734,116</u>
Excess(Deficiency) of Advances	<u>\$ -</u>

The following grants are open as of December 31, 2019:

	<u>SC16P004</u>	
	<u>501-18</u>	<u>501-19</u>
Funds Authorized	<u>\$ 728,600</u>	<u>\$ 583,234</u>
Funds Advanced	-	-
Less Project Expenditures	<u>110,142</u>	<u>-</u>
Excess(Deficiency) of Advances	<u>\$ (110,142)</u>	<u>\$ -</u>

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 – OTHER HUD GRANTS

The Authority was awarded ROSS and FSS Grants for support services to public housing residents and HCV participants. Grant expenditures were audited in accordance with program requirements.

The following grants have been fully expended and liabilities fully paid as of December 31, 2019:

	<u>FSS17SC</u>	<u>FSS18SC</u>
	<u>0238</u>	<u>2756</u>
Funds Authorized	<u>\$ 106,024</u>	<u>\$ 106,024</u>
Funds Advanced	106,024	106,024
Less Project Expenditures	<u>106,024</u>	<u>106,024</u>
Excess(Deficiency) of Advances	<u>\$ -</u>	<u>\$ -</u>

The following grants are open as of December 31, 2019:

	<u>ROSS018</u>
	<u>1153</u>
Funds Authorized	<u>\$ 246,000</u>
Funds Advanced	176,219
Less Project Expenditures	<u>176,301</u>
Excess(Deficiency) of Advances	<u>\$ (82)</u>

NOTE 11 – RETIREMENT PLAN

The Authority provides pension benefits for all 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 2019, the Authority made the required contributions in the amount of \$149,730, and there were no significant unpaid pension liabilities outstanding as of December 31, 2019. Total forfeitures were \$-0- during the year ended December 31, 2019.

NOTE 12 – CONDUIT DEBT OBLIGATION – RELATED PARTY

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, 2019. 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.

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 – CONDENSED FINANCIAL STATEMENTS OF BLENDED COMPONENT UNIT

Below is the condensed financial information of Greenville Development Corporation:

Condensed Statement of Net Position	Nonmajor GRDC's	GAH Scattered Sites, LLC	GAH Arcadia Hills, LLC	GAH Ridgeway, LLC	Total BCU's
Cash & Investments	\$ -	\$ 1,976,444	\$ 576,909	\$ 398,930	\$ 2,952,283
Other Current Assets	30,000	31,480	17,190	815	79,485
Capital & Other Noncurrent Assets	626,974	5,704,507	4,593,869	1,379,100	12,304,450
Total Assets	656,974	7,712,431	5,187,968	1,778,845	15,336,218
					-
Current & Other Liabilities	-	65,707	12,353	2,191	80,251
Noncurrent Liab	-	11,481	1,819	379	13,679
Total Liab.	-	77,188	14,172	2,570	93,930
					-
Invested in Cap. Assets	-	5,704,507	4,593,869	1,379,100	11,677,476
Restricted	-	465,891	350,270	128,207	944,368
Unrestricted	656,974	1,464,845	229,657	268,968	2,620,444
Total Net Position	\$ 656,974	\$ 7,635,243	\$ 5,173,796	\$ 1,776,275	\$ 15,242,288
Condensed Statement of Revenues, Expenses, and Changes in Net Position	Nonmajor GRDC's	GAH Scattered Sites, LLC	GAH Arcadia Hills, LLC	GAH Ridgeway, LLC	Total BCU's
Operating Revenues					
Rental - Tenant and Subsidy	\$ -	\$ 858,634	\$ 258,929	\$ 53,034	\$ 1,170,597
Other General Revenues	15,000	19,109	8,102	690	42,901
Total Operating Revenues	15,000	877,743	267,031	53,724	1,213,498
Expenses					
Administrative & Operating	-	790,363	231,327	42,724	1,064,414
Depreciation	-	354,070	233,094	33,027	620,191
Total Expenses	-	1,144,433	464,421	75,751	1,684,605
Operating Income (Loss)	15,000	(266,690)	(197,390)	(22,027)	(471,107)
Nonoperating Revenues (Expenses)					
Nonroutine Maintenance	-	(11,492)	-	-	(11,492)
Gain/(Loss) on Sale of Assets	-	14,000	-	-	14,000
Income (Loss) before Capital Contributions	15,000	(264,182)	(197,390)	(22,027)	(468,599)
Capital Contributions	-	-	-	-	-
Change in Net Position	15,000	(264,182)	(197,390)	(22,027)	(468,599)
Beginning Net Position	641,974	7,899,425	5,371,186	1,798,302	15,710,887
Ending Net Position	\$ 656,974	\$ 7,635,243	\$ 5,173,796	\$ 1,776,275	\$ 15,242,288

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 14 – CONDENSED FINANCIAL STATEMENTS OF DPCU

Below is the condensed financial information of the Discretely Presented Component Units:

Condensed Statement of Net Position	Nonmajor GRDC's	GAH Scattered Sites, LLC	GAH Arcadia Hills, LLC	GAH Ridgeway, LLC	Total BCU's
Cash & Investments	\$ -	\$ 1,976,444	\$ 576,909	\$ 398,930	\$ 2,952,283
Other Current Assets	30,000	31,480	17,190	815	79,485
Capital & Other Noncurrent Assets	626,974	5,704,507	4,593,869	1,379,100	12,304,450
Total Assets	656,974	7,712,431	5,187,968	1,778,845	15,336,218
					-
Current & Other Liabilities	-	65,707	12,353	2,191	80,251
Noncurrent Liab	-	11,481	1,819	379	13,679
Total Liab.	-	77,188	14,172	2,570	93,930
					-
Invested in Cap. Assets	-	5,704,507	4,593,869	1,379,100	11,677,476
Restricted	-	465,891	350,270	128,207	944,368
Unrestricted	656,974	1,464,845	229,657	268,968	2,620,444
Total Net Position	<u>\$ 656,974</u>	<u>\$ 7,635,243</u>	<u>\$ 5,173,796</u>	<u>\$ 1,776,275</u>	<u>\$ 15,242,288</u>
Condensed Statement of Revenues, Expenses, and Changes in Net Position	Nonmajor GRDC's	GAH Scattered Sites, LLC	GAH Arcadia Hills, LLC	GAH Ridgeway, LLC	Total BCU's
Operating Revenues					
Rental - Tenant and Subsidy	\$ -	\$ 858,634	\$ 258,929	\$ 53,034	\$ 1,170,597
Other General Revenues	15,000	19,109	8,102	690	42,901
Total Operating Revenues	15,000	877,743	267,031	53,724	1,213,498
Expenses					
Administrative & Operating	-	790,363	231,327	42,724	1,064,414
Depreciation	-	354,070	233,094	33,027	620,191
Total Expenses	-	1,144,433	464,421	75,751	1,684,605
Operating Income (Loss)	15,000	(266,690)	(197,390)	(22,027)	(471,107)
Nonoperating Revenues (Expenses)					
Nonroutine Maintenance	-	(11,492)	-	-	(11,492)
Gain/(Loss) on Sale of Assets	-	14,000	-	-	14,000
Income (Loss) before Capital Contributions	15,000	(264,182)	(197,390)	(22,027)	(468,599)
Capital Contributions	-	-	-	-	-
Change in Net Position	15,000	(264,182)	(197,390)	(22,027)	(468,599)
Beginning Net Position	641,974	7,899,425	5,371,186	1,798,302	15,710,887
Ending Net Position	<u>\$ 656,974</u>	<u>\$ 7,635,243</u>	<u>\$ 5,173,796</u>	<u>\$ 1,776,275</u>	<u>\$ 15,242,288</u>

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 – COMMITMENTS

The Authority has entered into the following commitments for various current and future developments and projects as follows:

<u>Development</u>	<u>Balance</u>	<u>Source</u>
Preserve at Logan Park	\$ 1,779,958	PHA Reserves
Preserve at Logan Park	250,000	SC Dept. of Mental Health
Total	<u>\$ 2,029,958</u>	

NOTE 16 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority receives a substantial portion of revenue from the Department of Housing and Urban Development (HUD). The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost to comply with the change.

NOTE 17 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through December 2, 2020, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements, and one subsequent event that requires disclosure in the notes to the financial statements.

In March 2020, COVID-19 was declared a global pandemic. It is currently affecting business continuity, including supply chains and consumer demand across a broad range of industries and countries. The pandemic has already severely impacted the global economy and will continue to, likely for months to come, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, and an estimate of the related future financial impact can't be made at this time.

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
111 Cash - Unrestricted	\$328,830			\$175,310	\$46,231	\$1,955,504
112 Cash - Restricted - Modernization and Development					\$388,863	\$944,368
113 Cash - Other Restricted					\$259,853	
114 Cash - Tenant Security Deposits					\$51,294	\$52,411
115 Cash - Restricted for Payment of Current Liabilities				\$165,814	\$119,023	
100 Total Cash	\$328,830	\$0	\$0	\$341,124	\$865,264	\$2,952,283
121 Accounts Receivable - PHA Projects				\$29,097		
122 Accounts Receivable - HUD Other Projects	\$110,142			\$48,807		
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous			\$82		\$4,910	\$30,000
126 Accounts Receivable - Tenants					\$10,213	\$26,092
126.1 Allowance for Doubtful Accounts -Tenants					\$0	-\$200
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$110,142	\$0	\$82	\$77,904	\$15,123	\$55,892
131 Investments - Unrestricted						
132 Investments - Restricted				\$0		
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets				\$12,557	\$26,320	\$23,593
150 Total Current Assets	\$438,972	\$0	\$82	\$431,585	\$906,707	\$3,031,768
161 Land						\$1,784,868
162 Buildings					\$12,169,746	\$19,807,387
163 Furniture, Equipment & Machinery - Dwellings					\$106,823	
164 Furniture, Equipment & Machinery - Administration				\$6,897	\$107,111	\$133,136
165 Leasehold Improvements				\$327,273	\$711,395	
166 Accumulated Depreciation				-\$97,734	-\$6,724,539	-\$10,047,915
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$236,436	\$6,370,536	\$11,677,476

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	2 State/Local	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,479,742		\$421,618	\$4,407,235		\$4,407,235
112 Cash - Restricted - Modernization and Development	\$1,841,054			\$3,174,285		\$3,174,285
113 Cash - Other Restricted	\$18,533			\$278,386		\$278,386
114 Cash - Tenant Security Deposits				\$103,705		\$103,705
115 Cash - Restricted for Payment of Current Liabilities	\$3,272			\$288,109		\$288,109
100 Total Cash	\$3,342,601	\$0	\$421,618	\$8,251,720	\$0	\$8,251,720
121 Accounts Receivable - PHA Projects				\$29,097		\$29,097
122 Accounts Receivable - HUD Other Projects				\$158,949		\$158,949
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous	\$71,224			\$106,216		\$106,216
126 Accounts Receivable - Tenants				\$36,305		\$36,305
126.1 Allowance for Doubtful Accounts - Tenants				-\$200		-\$200
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$71,224	\$0	\$0	\$330,367	\$0	\$330,367
131 Investments - Unrestricted						
132 Investments - Restricted				\$0		\$0
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$6,976		\$35,105	\$104,551		\$104,551
150 Total Current Assets	\$3,420,801	\$0	\$456,723	\$8,686,638	\$0	\$8,686,638
161 Land	\$3,712,504			\$5,497,372		\$5,497,372
162 Buildings			\$672,144	\$32,649,277		\$32,649,277
163 Furniture, Equipment & Machinery - Dwellings				\$106,823		\$106,823
164 Furniture, Equipment & Machinery - Administration	\$213,015		\$5,786	\$465,945		\$465,945
165 Leasehold Improvements			\$112,828	\$1,151,496		\$1,151,496
166 Accumulated Depreciation	-\$1,153,642		-\$193,289	-\$18,217,119		-\$18,217,119
167 Construction in Progress						
168 Infrastructure	\$3,151,742			\$3,151,742		\$3,151,742
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,923,619	\$0	\$597,469	\$24,805,536	\$0	\$24,805,536

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets					\$149,089	\$18,012
176 Investments in Joint Ventures						\$608,962
180 Total Non-Current Assets	\$0	\$0	\$0	\$236,436	\$6,519,625	\$12,304,450
200 Deferred Outflow of Resources						
290 Total Assets and Deferred Outflow of Resources	\$438,972	\$0	\$82	\$668,021	\$7,426,332	\$15,336,218
311 Bank Overdraft						
312 Accounts Payable <= 90 Days			\$82	\$76,621	\$9,451	\$21,267
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion				\$1,317	\$411	\$1,189
324 Accrued Contingency Liability						
325 Accrued Interest Payable					\$15,284	
331 Accounts Payable - HUD PHA Programs				\$35,721		
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government					\$60,687	
341 Tenant Security Deposits					\$51,374	\$52,911
342 Unearned Revenue				\$0	\$128,817	\$4,884
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					\$68,001	
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities				\$165,814		
346 Accrued Liabilities - Other					\$38,751	
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$0	\$0	\$82	\$279,473	\$372,776	\$80,251

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	2 State/Local	COCC	Subtotal	ELIM	Total
171 Notes, Loans and Mortgages Receivable - Non-Current	\$14,462,177			\$14,462,177		\$14,462,177
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets				\$167,101		\$167,101
176 Investments in Joint Ventures				\$608,962		\$608,962
180 Total Non-Current Assets	\$20,385,796	\$0	\$597,469	\$40,043,776	\$0	\$40,043,776
200 Deferred Outflow of Resources						
290 Total Assets and Deferred Outflow of Resources	\$23,806,597	\$0	\$1,054,192	\$48,730,414	\$0	\$48,730,414
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$12,603		\$27,426	\$147,450		\$147,450
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable			\$516	\$516		\$516
322 Accrued Compensated Absences - Current Portion	\$1,523		\$1,197	\$5,637		\$5,637
324 Accrued Contingency Liability						
325 Accrued Interest Payable				\$15,284		\$15,284
331 Accounts Payable - HUD PHA Programs				\$35,721		\$35,721
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government				\$60,687		\$60,687
341 Tenant Security Deposits				\$104,285		\$104,285
342 Unearned Revenue	\$150			\$133,851		\$133,851
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$68,001		\$68,001
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities	\$3,272			\$169,086		\$169,086
346 Accrued Liabilities - Other				\$38,751		\$38,751
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$17,548	\$0	\$29,139	\$779,269	\$0	\$779,269

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					\$10,514,806	
352 Long-term Debt, Net of Current - Operating Borrowings					\$353,876	
353 Non-current Liabilities - Other					\$124,556	
354 Accrued Compensated Absences - Non Current				\$15,145	\$4,730	\$13,679
355 Loan Liability - Non Current					\$0	
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$15,145	\$10,997,968	\$13,679
300 Total Liabilities	\$0	\$0	\$82	\$294,618	\$11,370,744	\$93,930
400 Deferred Inflow of Resources						
508.3 Nonspendable Fund Balance						
508.4 Net Investment in Capital Assets				\$236,436	-\$4,212,271	\$11,677,476
511.4 Restricted Net Position					\$648,716	\$944,368
512.3 Unassigned Fund Balance						
512.4 Unrestricted Net Position	\$438,972	\$0	\$0	\$136,967	-\$380,857	\$2,620,444
513 Total Equity - Net Assets / Position	\$438,972	\$0	\$0	\$373,403	-\$3,944,412	\$15,242,288
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$438,972	\$0	\$82	\$668,021	\$7,426,332	\$15,336,218

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	2 State/Local	COCC	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$10,514,806		\$10,514,806
352 Long-term Debt, Net of Current - Operating Borrowings				\$353,876		\$353,876
353 Non-current Liabilities - Other				\$124,556		\$124,556
354 Accrued Compensated Absences - Non Current	\$17,509		\$13,769	\$64,832		\$64,832
355 Loan Liability - Non Current				\$0		\$0
350 Total Non-Current Liabilities	\$17,509	\$0	\$13,769	\$11,058,070	\$0	\$11,058,070
300 Total Liabilities	\$35,057	\$0	\$42,908	\$11,837,339	\$0	\$11,837,339
400 Deferred Inflow of Resources						
508.3 Nonspendable Fund Balance						
508.4 Net Investment in Capital Assets	\$5,923,619		\$597,469	\$14,222,729		\$14,222,729
511.4 Restricted Net Position	\$1,859,587			\$3,452,671		\$3,452,671
512.3 Unassigned Fund Balance						
512.4 Unrestricted Net Position	\$15,988,334	\$0	\$413,815	\$19,217,675		\$19,217,675
513 Total Equity - Net Assets / Position	\$23,771,540	\$0	\$1,011,284	\$36,893,075	\$0	\$36,893,075
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$23,806,597	\$0	\$1,054,192	\$48,730,414	\$0	\$48,730,414

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
70300 Net Tenant Rental Revenue					\$654,795	\$441,867
70400 Tenant Revenue - Other					\$15,624	
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$670,419	\$441,867
70600 HUD PHA Operating Grants	\$648,622	\$106,024	\$84,142	\$22,567,701		
70610 Capital Grants						
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70700 Total Fee Revenue						
70800 Other Government Grants					\$628,743	\$728,730
71100 Investment Income - Unrestricted				\$0	\$224	
71200 Mortgage Interest Income						
71400 Fraud Recovery				\$10,722		
71500 Other Revenue				\$71,096	\$9,495	\$42,901
71600 Gain or Loss on Sale of Capital Assets						\$14,000
72000 Investment Income - Restricted				\$0	\$291	
70000 Total Revenue	\$648,622	\$106,024	\$84,142	\$22,649,519	\$1,309,172	\$1,227,498
91100 Administrative Salaries				\$488,950	\$83,098	\$80,365
91200 Auditing Fees				\$23,750	\$26,727	\$11,750
91300 Management Fee	\$34,828			\$355,510	\$86,432	\$199,938
91310 Book-keeping Fee				\$177,755		
91400 Advertising and Marketing					\$903	
91500 Employee Benefit contributions - Administrative				\$164,594	\$23,619	\$29,687
91600 Office Expenses				\$337,315	\$51,323	\$55,095
91700 Legal Expense				\$44	\$3,613	\$9,927
91800 Travel				\$9,695	\$1,002	\$243
91810 Allocated Overhead						
91900 Other	\$5,220			\$218,939	\$31,724	\$28,308
91000 Total Operating - Administrative	\$40,048	\$0	\$0	\$1,776,552	\$308,441	\$415,313

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	2 State/Local	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue				\$1,096,662		\$1,096,662
70400 Tenant Revenue - Other				\$15,624		\$15,624
70500 Total Tenant Revenue	\$0	\$0	\$0	\$1,112,286	\$0	\$1,112,286
70600 HUD PHA Operating Grants				\$23,406,489		\$23,406,489
70610 Capital Grants						
70710 Management Fee			\$390,339	\$390,339	-\$390,339	\$0
70720 Asset Management Fee						
70730 Book Keeping Fee			\$177,755	\$177,755	-\$177,755	\$0
70700 Total Fee Revenue			\$568,094	\$568,094	-\$568,094	\$0
70800 Other Government Grants	\$500,000	\$250,000		\$2,107,473	-\$728,730	\$1,378,743
71100 Investment Income - Unrestricted				\$224		\$224
71200 Mortgage Interest Income	\$127,305			\$127,305		\$127,305
71400 Fraud Recovery				\$10,722		\$10,722
71500 Other Revenue	\$869,516		\$59,830	\$1,052,838	-\$259,767	\$793,071
71600 Gain or Loss on Sale of Capital Assets				\$14,000		\$14,000
72000 Investment Income - Restricted	\$5,766			\$6,057		\$6,057
70000 Total Revenue	\$1,502,587	\$250,000	\$627,924	\$28,405,488	-\$1,556,591	\$26,848,897
91100 Administrative Salaries	\$237,172		\$205,601	\$1,095,186		\$1,095,186
91200 Auditing Fees	\$2,000		\$2,000	\$66,227		\$66,227
91300 Management Fee				\$676,708	-\$590,276	\$86,432
91310 Book-keeping Fee				\$177,755	-\$177,755	\$0
91400 Advertising and Marketing	\$1,950		\$5,288	\$8,141		\$8,141
91500 Employee Benefit contributions - Administrative	\$63,290		\$54,494	\$335,684		\$335,684
91600 Office Expenses	\$37,489		\$213,373	\$694,595	-\$59,830	\$634,765
91700 Legal Expense	\$7,288		\$14,843	\$35,715		\$35,715
91800 Travel	\$7		\$3,957	\$14,904		\$14,904
91810 Allocated Overhead						
91900 Other	\$24,094		\$23,455	\$331,740		\$331,740
91000 Total Operating - Administrative	\$373,290	\$0	\$523,011	\$3,436,655	-\$827,861	\$2,608,794

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
92000 Asset Management Fee						
92100 Tenant Services - Salaries		\$82,396	\$52,552			
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services		\$23,628	\$16,906			
92400 Tenant Services - Other			\$14,684		\$3,315	\$110
92500 Total Tenant Services	\$0	\$106,024	\$84,142	\$0	\$3,315	\$110
93100 Water					\$24,784	\$8,513
93200 Electricity					\$26,734	\$11,185
93300 Gas						\$604
93600 Sewer					\$42,249	
93800 Other Utilities Expense					\$1,303	\$22,358
93000 Total Utilities	\$0	\$0	\$0	\$0	\$95,070	\$42,660
94100 Ordinary Maintenance and Operations - Labor					\$81,777	\$100,549
94200 Ordinary Maintenance and Operations - Materials and Other					\$36,265	\$63,178
94300 Ordinary Maintenance and Operations Contracts					\$224,662	\$290,402
94500 Employee Benefit Contributions - Ordinary Maintenance					\$13,745	\$31,952
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$356,449	\$486,081
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs					\$9,572	\$8,571
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$9,572	\$8,571
96110 Property Insurance				\$1,814	\$64,637	\$39,461
96120 Liability Insurance				\$1,002	\$3,337	\$6,207
96130 Workmen's Compensation				\$13,025	\$5,425	\$7,807
96140 All Other Insurance				\$139	\$1,149	\$2,391
96100 Total insurance Premiums	\$0	\$0	\$0	\$15,980	\$74,548	\$55,866

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	2 State/Local	COCC	Subtotal	ELIM	Total
92000 Asset Management Fee						
92100 Tenant Services - Salaries				\$134,948		\$134,948
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services				\$40,534		\$40,534
92400 Tenant Services - Other	\$20,394			\$38,503		\$38,503
92500 Total Tenant Services	\$20,394	\$0	\$0	\$213,985	\$0	\$213,985
93100 Water	\$1,614		\$726	\$35,637		\$35,637
93200 Electricity	\$1,029		\$5,197	\$44,145		\$44,145
93300 Gas	\$313		\$695	\$1,612		\$1,612
93600 Sewer				\$42,249		\$42,249
93800 Other Utilities Expense	\$3,096		\$389	\$27,146		\$27,146
93000 Total Utilities	\$6,052	\$0	\$7,007	\$150,789	\$0	\$150,789
94100 Ordinary Maintenance and Operations - Labor				\$182,326		\$182,326
94200 Ordinary Maintenance and Operations - Materials and Other	\$293		\$918	\$100,654		\$100,654
94300 Ordinary Maintenance and Operations Contracts	\$3,371		\$9,745	\$528,180		\$528,180
94500 Employee Benefit Contributions - Ordinary Maintenance				\$45,697		\$45,697
94000 Total Maintenance	\$3,664	\$0	\$10,663	\$856,857	\$0	\$856,857
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs	\$90		\$821	\$19,054		\$19,054
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$90	\$0	\$821	\$19,054	\$0	\$19,054
96110 Property Insurance	\$704		\$1,826	\$108,442		\$108,442
96120 Liability Insurance	\$1,260		\$722	\$12,528		\$12,528
96130 Workmen's Compensation	\$6,622		\$6,075	\$38,954		\$38,954
96140 All Other Insurance	\$101		\$11,677	\$15,457		\$15,457
96100 Total insurance Premiums	\$8,687	\$0	\$20,300	\$175,381	\$0	\$175,381

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
96200 Other General Expenses	\$607,060			\$4,066	\$40,421	\$10,414
96210 Compensated Absences				\$42,517	\$7,310	\$15,732
96300 Payments in Lieu of Taxes					\$61,600	
96400 Bad debt - Tenant Rents					\$19,248	\$29,667
96500 Bad debt - Mortgages						
96600 Bad debt - Other					\$181,266	
96800 Severance Expense						
96000 Total Other General Expenses	\$607,060	\$0	\$0	\$46,583	\$309,845	\$55,813
96710 Interest of Mortgage (or Bonds) Payable					\$532,871	
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$532,871	\$0
96900 Total Operating Expenses	\$647,108	\$106,024	\$84,142	\$1,839,115	\$1,690,111	\$1,064,414
97000 Excess of Operating Revenue over Operating Expenses	\$1,514	\$0	\$0	\$20,810,404	-\$380,939	\$163,084
97100 Extraordinary Maintenance					\$29,694	\$11,492
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments				\$20,787,111		
97350 HAP Portability-In				\$53,680		
97400 Depreciation Expense				\$10,355	\$458,742	\$620,191
90000 Total Expenses	\$647,108	\$106,024	\$84,142	\$22,690,261	\$2,178,547	\$1,696,097
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,514	\$0	\$0	-\$40,742	-\$869,375	-\$468,599

THE GREENVILLE HOUSING AUTHORITY (SC004)
Greenville, SC
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	2 State/Local	COCC	Subtotal	ELIM	Total
96200 Other General Expenses	\$9,688			\$671,649		\$671,649
96210 Compensated Absences	\$20,624		\$17,878	\$104,061		\$104,061
96300 Payments in Lieu of Taxes				\$61,600		\$61,600
96400 Bad debt - Tenant Rents				\$48,915		\$48,915
96500 Bad debt - Mortgages						
96600 Bad debt - Other				\$181,266		\$181,266
96800 Severance Expense						
96000 Total Other General Expenses	\$30,312	\$0	\$17,878	\$1,067,491	\$0	\$1,067,491
96710 Interest of Mortgage (or Bonds) Payable				\$532,871		\$532,871
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$532,871	\$0	\$532,871
96900 Total Operating Expenses	\$442,489	\$0	\$579,680	\$6,453,083	-\$827,861	\$5,625,222
97000 Excess of Operating Revenue over Operating Expenses	\$1,060,098	\$250,000	\$48,244	\$21,952,405	-\$728,730	\$21,223,675
97100 Extraordinary Maintenance	\$967			\$42,153		\$42,153
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments				\$20,787,111	-\$728,730	\$20,058,381
97350 HAP Portability-In				\$53,680		\$53,680
97400 Depreciation Expense	\$111,421		\$26,166	\$1,226,875		\$1,226,875
90000 Total Expenses	\$554,877	\$0	\$605,846	\$28,562,902	-\$1,556,591	\$27,006,311
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government	\$250,000	-\$250,000		\$0		\$0
10100 Total Other financing Sources (Uses)	\$250,000	-\$250,000	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,197,710	\$0	\$22,078	-\$157,414	\$0	-\$157,414

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$68,001	\$0
11030 Beginning Equity	\$437,458	\$0	\$0	\$414,145	-\$3,010,396	\$15,710,887
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					-\$64,641	
11170 Administrative Fee Equity				\$373,403		
11180 Housing Assistance Payments Equity				\$0		
11190 Unit Months Available	1872	0	0	36423	1920	1932
11210 Number of Unit Months Leased	1817	0	0	35238	1835	1825
11270 Excess Cash	\$438,972					
11610 Land Purchases	\$0					
11620 Building Purchases	\$0					
11630 Furniture & Equipment - Dwelling Purchases	\$0					
11640 Furniture & Equipment - Administrative Purchases	\$0					
11650 Leasehold Improvements Purchases	\$0					
11660 Infrastructure Purchases	\$0					
13510 CFFP Debt Service Payments	\$0					
13901 Replacement Housing Factor Funds	\$0					

THE GREENVILLE HOUSING AUTHORITY (SC004)

Greenville, SC

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2019

	1 Business Activities	2 State/Local	COCC	Subtotal	ELIM	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$68,001		\$68,001
11030 Beginning Equity	\$22,573,830	\$0	\$989,206	\$37,115,130		\$37,115,130
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				-\$64,641		-\$64,641
11170 Administrative Fee Equity				\$373,403		\$373,403
11180 Housing Assistance Payments Equity				\$0		\$0
11190 Unit Months Available	0	0	0	42147		42147
11210 Number of Unit Months Leased	0	0	0	40715		40715
11270 Excess Cash				\$438,972		\$438,972
11610 Land Purchases			\$0	\$0		\$0
11620 Building Purchases			\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases			\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases			\$0	\$0		\$0
11650 Leasehold Improvements Purchases			\$0	\$0		\$0
11660 Infrastructure Purchases			\$0	\$0		\$0
13510 CFFP Debt Service Payments			\$0	\$0		\$0
13901 Replacement Housing Factor Funds			\$0	\$0		\$0

**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**

Independent Auditor's Report

The Governing Body
Housing Authority of the City of Greenville

We have audited, 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, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Greenville as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Greenville's basic financial statements, and have issued our report thereon dated December 2, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Greenville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Greenville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Greenville'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Greenville's financial statements are free from material misstatement, we performed tests of its

compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Maletta & Company". The signature is stylized, with the first name "Maletta" being more prominent and the "& Company" part written in a smaller, cursive script.

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
December 2, 2020

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Greenville's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Greenville's major federal programs for the year ended December 31, 2019. The Housing Authority of the City of Greenville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Housing Authority of the City of Greenville'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 Housing Authority of the City of Greenville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Greenville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.


Report on Internal Control over Compliance

Management of the Housing Authority of the City of Greenville 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 Housing Authority of the City of Greenville's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Housing Authority of the City of Greenville's internal control over compliance.

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

Our consideration of 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

A handwritten signature in black ink, appearing to read "Maletta & Company", with a stylized flourish at the end.

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
December 2, 2020

THE HOUSING AUTHORITY OF THE CITY OF GREENVILLE
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-through Grantor/Program Title	Pass-Through / Identification Number	CFDA Number	Federal Expenditures
<i>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</i>			
Direct Programs:			
Low Rent Public Housing	SC04	14.850	\$ 528,502
Resident Opportunity and Supportive Services	ROSS181153	14.870	84,142
Section 8 Housing Choice Vouchers	SC04	14.871	<u>22,567,701</u>
Total Housing Voucher Cluster			<u>22,567,701</u>
Capital Fund Program	SC16P004501-18	14.872	120,120
PIH Family Self Sufficiency Program	FSS18SC2756	14.896	<u>106,024</u>
Total Expenditures of Federal Awards			<u><u>\$ 23,406,489</u></u>

*See accompanying notes to
Schedule of Expenditures of Federal Awards*

HOUSING AUTHORITY OF THE CITY OF GREENVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net positions, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The Authority has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – PROGRAM COST

The amounts presented as federal expenditures represent only the federal portion of the actual program costs. Actual program costs, including the Authority's portion, may be more than is shown on the schedule.

**HOUSING AUTHORITY OF THE CITY OF GREENVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

I. Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of federal program or cluster</u>
14.871	Housing Voucher Cluster

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

Auditee qualified as a low-risk auditee? X Yes No

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None Reported.

III. Findings and Questioned Costs for Federal Awards

None Reported.