

**COLLIER COUNTY  
HOUSING AUTHORITY**

**Basic  
Financial Statements and  
Supplementary  
Information**

**September 30, 2021**



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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Collier County Housing Authority  
Immokalee, Florida

We have audited the accompanying financial statements of the business-type activities of the Collier County Housing Authority (the "Authority"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority's business-type activities as of September 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying financial data schedule and schedule of CARES Act fund programs costs and advances are presented for purposes of additional analysis as required by U.S. Department of Housing and Urban Development, and are not a required part of the financial statements of the Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements of the Authority.

The other information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Certificate of Borrower and the Farm Worker Subsidized Housing Program are supplemental information requested by the USDA and have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

February 22, 2022  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

## Management's Discussion and Analysis

As management of the Collier County Housing Authority (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Oscar Hentschel, Executive Director, Collier County Housing Authority, 1800 Farm Worker Way, Immokalee, FL 34142.

### **Financial Highlights**

- The assets of the Authority exceeded its liabilities as of September 30, 2021 by \$17,914,218 (net position).
- The Authority's total cash balances as of September 30, 2021 were \$6,163,076, representing an increase of \$1,592,349.
- The Authority had revenue from the U.S. Department of Housing and Urban Development ("HUD") of \$4,830,437 along with revenue from the U.S. Department of Agriculture ("USDA") of \$651,979.

### **Overview of Financial Statements**

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of capital assets. The following statements are included:

- Statement of Net Position - reports the Authority's assets, liabilities and net position at the end of the fiscal year. You can think of the Authority's net position as the difference between what the Authority owns (assets and deferred outflows of resources) and what the Authority owes (liabilities and deferred inflows of resources).
- Statement of Revenues, Expenses, and Changes in Net Position - presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in the future periods.
- Statement of Cash Flows - presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Authority in prior periods and subsequently received during the current fiscal year (i.e. receivables, notes receivable etc.).

## Overview of Financial Statements (continued)

- Notes to the Basic Financial Statements - provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

## Financial Analysis

### Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Current assets	\$ 6,954,679	\$ 5,277,896	\$ 1,676,783
Capital assets, net	16,637,681	17,369,841	(732,160)
Total assets	<u>23,592,360</u>	<u>22,647,737</u>	<u>944,623</u>
Current liabilities	1,035,561	996,628	38,933
Long-term debt	4,516,575	4,845,564	(328,989)
Other noncurrent liabilities	126,006	111,743	14,263
Total liabilities	<u>5,678,142</u>	<u>5,953,935</u>	<u>(275,793)</u>
Net investment in capital assets	11,794,573	12,196,780	(402,207)
Restricted net position	2,969,065	2,380,815	588,250
Unrestricted net position	<u>3,150,580</u>	<u>2,116,207</u>	<u>1,034,373</u>
Total net position	<u>\$ 17,914,218</u>	<u>\$ 16,693,802</u>	<u>\$ 1,220,416</u>

**Current Assets** increased by \$1,676,783 primarily due to increases in cash from operations of \$1,592,349 due to timing of payments and increased revenues.

**Net Capital Assets** decreased by \$732,160 mainly due to depreciation expense of approximately \$952,528 offset by current year additions for the construction of the HVAC project, new roofs, and equipment of approximately \$220,000.

**Long Term Debt** reflect a decrease of \$328,989 mainly due to debt principal payments.

**Net Position** - The difference between the Authority's rights (assets and deferred outflows of resources) and the Authority's obligations (liabilities and deferred inflows of resources) is its net position. Net position is categorized as one of three types:

1. Net investment in capital assets - The Authority's capital asset balance, net of accumulated depreciation and related long term debt as of September 30, 2021 is \$11,794,573.

## **Financial Analysis (continued)**

2. **Restricted** - The Authority's net position whose use is subject to constraints imposed by law or agreement. The statement of net position of the Authority reports \$2,969,065 of restricted net position which consists of Section 8 Housing Choice Voucher HAP reserves, Tenant security deposits, and USDA sinking fund reserve replacement.
3. **Unrestricted** - The Authority's net position, that is neither invested in capital assets nor restricted, which changes principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors. The Authority has \$3,150,580 in unrestricted net position as of September 30, 2021. The Authority's unrestricted net position is designated for housing purposes.

### **Condensed Statement of Revenues, Expenses and Changes in Net Position**

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Operating revenue			
HUD revenue	\$ 4,830,437	\$ 3,828,049	\$ 1,002,388
Tenant revenue	3,456,827	3,333,275	123,552
Other revenue	1,693,220	1,362,744	330,476
Total operating revenue	<u>9,980,484</u>	<u>8,524,068</u>	<u>1,456,416</u>
Operating expenses			
Housing assistance payments	4,567,810	3,901,926	665,884
Maintenance	1,163,863	1,537,941	(374,078)
Administrative	1,252,221	1,187,001	65,220
Depreciation	952,528	1,129,563	(177,035)
General	513,154	543,116	(29,962)
Utilities	228,117	204,685	23,432
Protective services	34,730	32,662	2,068
Total operating expenses	<u>8,712,423</u>	<u>8,536,894</u>	<u>175,529</u>
Operating income (loss)	1,268,061	(12,826)	1,280,887
Non operating revenues (expenses)			
Interest income - restricted	-	8,753	(8,753)
Interest income - unrestricted	7,847	4,397	3,450
Interest expense	(55,492)	(65,495)	10,003
Total nonoperating expenses	<u>(47,645)</u>	<u>(52,345)</u>	<u>4,700</u>
Change in net position	1,220,416	(65,171)	1,285,587
Total net position - beginning	<u>16,693,802</u>	<u>16,758,973</u>	<u>(65,171)</u>
Total net position - ending	<u>\$ 17,914,218</u>	<u>\$ 16,693,802</u>	<u>\$ 1,220,416</u>



## **Financial Analysis (continued)**

**Total Operating Revenue** increased by \$1,456,416 during the fiscal year ending 2021. This is mainly due to an increase in HUD (which includes CARES funding) and other revenue of \$1,002,338 and \$330,476 respectively due to an increase in vouchers provided by HUD, an overall increase in payment standards, and an increased number of HAP port ins during the current year.

**Total Operating Expenses** increased by \$175,529 during the fiscal year ending 2021 as compared to the fiscal year ending 2020. This is primarily a result of increases in housing assistance payments offset by decreases in maintenance and depreciation.

- Housing Assistance Payments increased by approximately \$666,000 due to increased payment standards as well as the effects of COVID causing tenants to be unable to pay as much rent as they usually would be able to.
- Maintenance expenses decreased by approximately \$374,000 due to decreased maintenance projects for the 2021 fiscal year. Due to the effects of COVID only high priority maintenance projects were worked on and projects that would require maintenance workers to enter tenant homes were not done unless the work was determined to be absolutely necessary to decrease the potential risks to both tenants and employees.
- Depreciation expense decreased by approximately \$177,000.

## **Capital Assets and Debt Activity**

During the fiscal year 2021, the Authority's net capital assets decreased by \$732,160 mainly due to depreciation expense of approximately \$953,000 offset by current year additions approximately \$220,000. These additions mainly consist of the HVAC project, new roofs, and equipment.

At the end of the fiscal year 2021, the Authority had debt of approximately \$4,843,000 of which only approximately \$327,000 is presented as current. This balance represents a decrease from that of the previous year-end due to the debt payments.

## **Factors Affecting Next Year's Budget**

The Authority is primarily dependent upon HUD and USDA for various programs; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2020 and 2021 federal budgets.

## **Economic Factors**

Significant economic factors and decisions affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development and USDA, and new rules and regulations, which could be unfunded;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income as well as the Housing Assistance Payments to landlords;
- Inflationary pressure on utility rates, housing costs, supplies and other costs;
- Natural disasters and health safety concerns, which can have a devastating impact on the local economy; and
- Trends in the current housing market.

Collier County Housing Authority

STATEMENT OF NET POSITION

September 30, 2021

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents - unrestricted	\$ 2,945,877
Cash and cash equivalents - restricted	854,426
Investments - restricted	215,428
Receivables, net	294,464
Inventory, net	65,352
Prepaid expenses	216,359
Total current assets	<u>4,591,906</u>

**NONCURRENT ASSETS**

Cash and cash equivalents - restricted	2,362,773
Capital assets, net	16,637,681
Total noncurrent assets	<u>19,000,454</u>
Total assets	<u>23,592,360</u>

**LIABILITIES**

**CURRENT LIABILITIES**

Current portion of long-term debt	326,533
Accounts payable	96,800
Accrued compensated absences	16,327
Unearned revenue	318,608
Tenant security deposits	270,024
Accrued interest payable	6,892
Other current liabilities	377
Total current liabilities	<u>1,035,561</u>

**NONCURRENT LIABILITIES**

Long-term debt	4,516,575
Accrued compensated absences	126,006
Total noncurrent liabilities	<u>4,642,581</u>
Total liabilities	<u>5,678,142</u>

**NET POSITION**

Net investment in capital assets	11,794,573
Restricted	2,969,065
Unrestricted	3,150,580
Total net position	<u>\$ 17,914,218</u>

The accompanying notes are an integral part of this financial statement.

Collier County Housing Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended September 30, 2021

<b>OPERATING REVENUES</b>	
HUD operating revenues	\$ 4,830,437
Tenant revenue, net	3,456,827
Rural rental assistance	651,979
HOME revenues	154,962
Other operating revenue	886,279
Total operating revenues	<u>9,980,484</u>
<b>OPERATING EXPENSES</b>	
Housing assistance payments	4,567,810
Maintenance	1,163,863
Administrative	1,252,221
Depreciation	952,528
General	513,154
Utilities	228,117
Protective services	34,730
Total operating expenses	<u>8,712,423</u>
<b>OPERATING INCOME</b>	<u>1,268,061</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income - restricted	7,847
Interest expense	(55,492)
Total nonoperating revenues (expenses)	<u>(47,645)</u>
Change in net position	1,220,416
Total net position - beginning	<u>16,693,802</u>
Total net position - ending	<u>\$ 17,914,218</u>

The accompanying notes are an integral part of this financial statement.

**Collier County Housing Authority**

**STATEMENT OF CASH FLOWS**

**For the year ended September 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

HUD operating grants received	\$ 4,879,474
Collections from tenants	3,426,631
Collections from other sources	1,656,843
Payments to employees	(1,482,893)
Payments to suppliers	(1,717,111)
Housing assistance payments	<u>(4,567,494)</u>
Net cash provided by operating activities	<u>2,195,450</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Payments on long term debt	(329,950)
Interest paid	(57,502)
Purchase of property and equipment	<u>(220,368)</u>
Net cash used in capital and related financing activities	<u>(607,820)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received - restricted	<u>4,719</u>
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**NET INCREASE IN CASH AND CASH EQUIVALENTS**

	1,592,349
Cash and cash equivalents at beginning of year	<u>4,570,727</u>
Cash and cash equivalents at end of year	<u>\$ 6,163,076</u>

**AS PRESENTED ON THE STATEMENT OF NET POSITION:**

Cash and cash equivalents - unrestricted	\$ 2,945,877
Cash and cash equivalents - restricted	854,426
Cash and cash equivalents - restricted - noncurrent	<u>2,362,773</u>
	<u>\$ 6,163,076</u>

The accompanying notes are an integral part of this financial statement.

Collier County Housing Authority

STATEMENT OF CASH FLOWS (continued)

For the year ended September 30, 2021

<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 1,268,061
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	952,528
Provision for bad debt	78,668
(Increase) decrease in assets:	
Receivables, net	(145,052)
Prepaid expenses	(14,925)
Increase (decrease) in liabilities:	
Accounts payable	13,786
Accrued wages	(24,949)
Accrued compensated absences	18,169
Unearned revenue	49,037
Tenant security deposits	(189)
Other current liabilities	316
Net cash provided by operating activities	<u>\$ 2,195,450</u>

The accompanying notes are an integral part of this financial statement.

## Collier County Housing Authority

### NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Collier County Housing Authority (the "Authority"), a governmental agency, was created pursuant to Florida Statutes Chapter 421. The primary purpose of the Authority is to develop, acquire and operate safe, decent, sanitary and affordable housing for low-income families and to operate the housing programs in accordance with federal legislation.

The Authority has been a recipient of several loans and grants from Rural Housing Services (RHS) since 1971 under Project No. 09-011-05914055 pursuant to Sections 514 and 516 of the Housing Act of 1949, as amended. The Rural Housing Services programs are designed to provide decent, safe and sanitary low-rent housing and related facilities for domestic farm laborers.

The Authority's governing board consists of a three member Board of Commissioners (the "Board"), which is appointed by the Governor of the State of Florida. The Authority is not a component unit of the State, as defined in Governmental Accounting Standards Board's ("GASB") *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100, *Defining the Financial Reporting Entity*, as the Board independently oversees the Authority's operations.

The definition of the reporting entity as described by GASB Codification Section 2100 is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

2. Blended component unit

Some component units, despite being legally separate from the primary government, are so integrated with the primary government that they are in substance part of the primary government. These component units are blended with the primary government.

In 1990, the Authority formed a 501(c)(3) organization, CCHA Land Development Corporation, which is a non-profit corporation organized, incorporated and controlled, by the Authority for the advancement of affordable housing. This organization was determined to be a component unit of the Authority. Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in the primary government's financial statements because of the nature and significance of their relationship with the primary government. In determining how to define the reporting entity, management has considered all potential component units.

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2. Blended component unit (continued)

Although legally separate entities, blended component units are, in substance, part of the Authority's operation. Accordingly, data from CCHA Land Development Corporation is combined with data of the primary government.

3. Government-wide and fund financial statements

The government-wide financial statements report information about the reporting government as a whole excluding fiduciary activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities rely, to a significant extent, on fees and charges for support.

Governments use fund accounting, whereby funds are generally organized into three major categories: governmental, proprietary and fiduciary. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

For financial reporting purposes, the Authority reports all of its operations as a single business activity in a single enterprise fund. Therefore, the government-wide and the fund financial statements are the same.

Enterprise funds are proprietary funds. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating activities generally arise from providing services in connection with a proprietary fund's principal activity. The operating revenues of the Authority consist primarily of rental charges to tenants and operating grants from the U.S. Department of Housing and Urban Development ("HUD"), and include, to a lesser extent, other government grants and certain operating amounts of capital grants that offset operating expenses.

Operating expenses for the Authority include the cost of administrative, tenant services, utilities, maintenance, protective services, general, depreciation and housing assistance payments. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, except for capital contributions, which are presented separately.

When restricted resources meet the criteria to be available for use and unrestricted resources are also available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources, as needed.

Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The proprietary fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income (loss), change in net position and cash flows. All assets and liabilities (whether current or noncurrent) associated with activities are reported. Proprietary fund equity is classified as net position.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The basis of accounting used is similar to businesses in the private sector, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

For financial reporting purposes, the Authority considers its HUD and other grants associated with operations as operating revenue because these funds more closely represent revenues generated from operating activities rather than nonoperating activities. Any HUD grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity on the accompanying statement of revenues, expenses and changes in net position. As provided by GASB Codification Section P80.115, *Proprietary Fund Accounting and Financial Reporting: Defining Operating Expenses*, and related guidance, tenant revenue is reported net of accounts written-off in the amount of \$78,668.

5. Summary of programs

The accompanying basic financial statements include the activities of several housing programs subsidized by HUD and United States Department of Agriculture Rural Development ("USDA") at the Authority. A summary of each significant program is provided below.

a. *Farm Labor Housing Loans and Grants*

The Farm Labor Housing Loans and Grants provides affordable financing to develop housing for year-round and migrant or seasonal domestic farm laborers.

b. *Central Office Cost Center*

The Central Office Cost Center ("COCC") is a business unit within the Authority that generates revenue through charges for services from other Authority programs and activities.



**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

5. Summary of programs (continued)

c. *Housing Assistance Payments Programs*

The Housing Assistance Payments Programs utilize existing privately owned family rental housing units to provide decent and affordable housing to low-income families. Funding of the Section 8 Housing Choice voucher program, the Mainstream Voucher program and the Emergency Housing Voucher program is provided by federal housing assistance contributions from HUD for the difference between the approved landlord contract rent and the rent paid by the tenants.

d. *HOME*

The HOME program funds the tenant based rental assistance program.

e. *Business Activities*

The Authority's business activities consist of Horizon Village, Section AB, Farm Worker Village which consists of 276 rental units, and Multi-family rental which consists of 4 rental units. The apartments are not separate legal entities but rather housing developments owned and managed by the Authority.

6. Budgets

Budgets are prepared on an annual basis for each program and are used as a management tool throughout the accounting cycle. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

7. Assets, liabilities and net position

a. *Cash and cash equivalents*

For financial statement purposes cash and cash equivalents are considered to be cash in banks and certificates of deposit with original maturities of three months or less.

b. *Receivables and amounts due from HUD*

Receivables consist of revenues earned during the fiscal year and not yet received. Amounts due from HUD represent reimbursable expenses or grant subsidies earned that have not been collected as of September 30, 2021. Allowances are determined by management based on periodic aging of tenant's accounts receivable and prior experience.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

7. Assets, liabilities and net position (continued)

c. *Investments*

Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD and the USDA. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the USDA.

d. *Inventory*

Inventory, consisting principally of materials held for use or consumption, is recorded at cost. Based on management's experience with the types of items in inventory and related usage plans, an allowance for obsolescence of \$3,440 was recorded as of September 30, 2021.

e. *Capital assets*

The Authority's policy is to capitalize equipment with a value in excess of \$2,500 and a useful life in excess of five years. The Authority capitalizes the costs of site acquisition and improvement, structures, equipment and direct development costs meeting the capitalization policy. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at fair value on the date contributed.

Depreciation has been calculated using the straight-line method over the estimated useful lives, which range as follows:

Buildings and improvements	20-30 years
Infrastructure	20-30 years
Modernization	15 years
Office and other furniture	3-5 years

Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Assets, liabilities and net position (continued)

f. *Accrued compensated absences*

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to service already rendered and that is not contingent on a specific event that is outside the control of the Authority and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

g. *Unearned revenues*

Unearned revenues include amounts collected before revenue recognition criteria are met. As of September 30, 2021 unearned revenues consists of \$57,038 of CARES Act funding, \$136,500 Emergency Housing Voucher funding and \$125,070 of prepaid rents.

h. *Eliminations*

For financial reporting purposes, certain amounts are internal and are therefore eliminated in the accompanying financial statements. In addition to the item discussed in Note B-7(d), the following have been eliminated from the financial statements:

i.) *Fee for service*

The Authority's COCC internally charges fees to the AMPs and programs of the Authority. These charges include management fees, bookkeeping fees, front line service fees, other fee revenue and asset management fees. For financial reporting purposes, \$526,350 of fee for service charges have been eliminated for the year ended September 30, 2021.

ii.) *Interprogram due to/from*

In the normal course of operations, certain programs may pay for common costs or advance funds for operations that create interprogram receivables or payables. These interprogram receivables and payables net to zero and are eliminated for the presentation of the Authority as a whole. As of September 30, 2021, a total of \$1,162,914 was eliminated.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

7. Assets, liabilities and net position (continued)

*i. Net position*

In accordance with GASB Codification Section 1800.155, *Reporting Net Position in Government-Wide Financial Statements*, total equity as of September 30, 2021, is classified into three components of net position:

*i.) Net investment in capital assets*

This component consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction and improvements of those assets.

*ii.) Restricted component of net position*

This component consists of net position restricted in its use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports:

USDA sinking fund reserve replacement (Note B-7(h))	\$	2,362,773
Maintenance reserve		317,428
Emergency Housing Voucher unearned HAP		181,318
Mainstream vouchers		91,359
Insurance reserve		8,793
HCV HAP reserves		7,394
Total restricted net position	\$	2,969,065

*iii.) Unrestricted component of net position*

This component includes all of the remaining net position that does not meet the definition of the other two components.

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

8. Use of estimates

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

9. Income taxes

The Authority and CCHA Land Development Corporation, as a component unit of a governmental organization, qualify as tax-exempt governmental entities; accordingly, no provision for Federal or State income tax is required.

10. Impairment of long-lived assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. Management has determined that there were no such impairments as of September 30, 2021.

11. Leasing activities

The Authority is the lessor of dwelling units to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the leases only for cause. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within tenant revenue. Primarily all of the capital assets of the Authority are for these leasing activities except for certain administrative offices and equipment.

12. Impact of recently issued accounting principles

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the Authority's September 30, 2022 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Authority's financial statements.

Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2021

NOTE B - DETAILED NOTES

1. Deposits and investments

As of September 30, 2021, the Authority's cash balance consists of demand deposits with financial institutions of \$6,163,076, and investment balance consists of multiple certificates of deposit accounts for the total amount of \$215,428.

In accordance with GASB Codification Sections C20, *Cash Deposits with Financial Institutions*, and I50, *Investments*, the Authority's exposure to risk is disclosed as follows:

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy to limit its exposure to declines in fair values of its investment portfolio is to only invest in HUD allowed investments and to monitor investments. As of September 30, 2021, the Authority had no investments, and therefore was not exposed to interest rate risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies of the United States of America. As of September 30, 2021, the Authority was not exposed to credit risk.

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk, requires collateral to be held in the Authority's name by its agent or by the bank's trust department. The Authority's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000, per financial institution, per depositor. Monies invested greater than the insurance coverage are secured by qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. As of September 30, 2021 none of the Authority's total bank balance was exposed to custodial credit risk, as all funds were either fully insured or collateralized.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

1. Deposits and investments (continued)

*Restricted cash and cash equivalents*

As of September 30, 2021, restricted cash consists of:

<i>Current:</i>	
Emergency Housing Voucher	\$ 317,818
Tenant security deposits	270,024
Rental properties maintenance reserve	102,000
Mainstream Vouchers	91,359
HCV CARES act funding	57,038
Insurance reserve	8,793
HAP equity	7,394
Total current restricted cash	854,426
<i>Noncurrent:</i>	
USDA sinking fund reserve replacement	2,339,917
USDA sinking fund	22,856
Total noncurrent restricted cash	2,362,773
	\$ 3,217,199

The Authority maintains a sinking fund reserve according to loan parameters as described in Note B-7(h).

2. Receivables, net

At September 30, 2021, receivables, net consist of:

Due from other governments	\$ 142,900
Tenant receivables	139,642
Miscellaneous receivables	71,414
Fraud recovery	9,928
Accrued interest receivable	2,021
Total receivables	365,905
Allowance for doubtful accounts - tenants	(36,513)
Allowance for doubtful accounts - other	(25,000)
Allowance for doubtful accounts - fraud	(9,928)
Total allowance for doubtful accounts	(71,441)
Total receivables, net	\$ 294,464

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

3. Capital assets, net

A summary of the changes in capital assets for the year ended September 30, 2021 is as follows:

	Balance at October 1, 2020	Additions	Deletions	Balance at September 30, 2021
<b>Nondepreciable capital assets:</b>				
Land	\$ 2,676,245	\$ -	\$ -	\$ 2,676,245
Construction in progress	56,920	-	-	56,920
	<u>2,733,165</u>	<u>-</u>	<u>-</u>	<u>2,733,165</u>
<b>Depreciable capital assets:</b>				
Buildings and improvements	37,130,072	6,350	-	37,136,422
Equipment - admin	1,812,840	29,795	-	1,842,635
Equipment - dwelling	533,112	3,046	-	536,158
Leasehold improvements	217,076	163,315	-	380,391
Infrastructure improvements	5,799,049	17,862	-	5,816,911
	<u>45,492,149</u>	<u>220,368</u>	<u>-</u>	<u>45,712,517</u>
<b>Accumulated depreciation:</b>				
Buildings and improvements	(24,263,948)	(746,297)	-	(25,010,245)
Equipment - admin	(555,639)	(69,722)	-	(625,361)
Equipment - dwelling	(1,774,513)	(8,358)	-	(1,782,871)
Leasehold improvements	(4,261,373)	(128,151)	-	(4,389,524)
	<u>(30,855,473)</u>	<u>(952,528)</u>	<u>-</u>	<u>(31,808,001)</u>
<b>Total capital assets, net</b>	<u><u>\$ 17,369,841</u></u>	<u><u>\$ (732,160)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,637,681</u></u>



**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

4. Noncurrent liabilities

A summary of changes in noncurrent liabilities is as follows:

	Payable at October 1, 2020	Additions	Reductions	Payable at September 30, 2021	Current Portion
Revenue Bonds payable:					
Bond 1 - Series D Loan 006	\$ 97,000	\$ -	\$ (32,000)	\$ 65,000	\$ 32,000
Bond 1 - Series E Loan 008	378,000	-	(33,000)	345,000	33,000
Bond 1 - Series F Loan 013	599,000	-	(47,000)	552,000	48,000
Bond 3 - Series G Loan 014	3,664,000	-	(114,000)	3,550,000	115,000
Bond - Series 2020	55,257	-	-	55,257	-
Subtotal	<u>4,793,257</u>	<u>-</u>	<u>(226,000)</u>	<u>4,567,257</u>	<u>228,000</u>
Notes payable:					
1st Florida Integrity	67,781	-	(36,280)	31,501	31,501
Loan First FL	71,828	-	(34,258)	37,570	33,620
SHIP	40,232	-	(13,413)	26,819	13,412
Florida Community Bank	199,961	-	(20,000)	179,961	20,000
Subtotal	<u>379,802</u>	<u>-</u>	<u>(103,951)</u>	<u>275,851</u>	<u>98,533</u>
Subtotal of notes payable	5,173,059	-	(329,951)	4,843,108	326,533
Accrued compensated absences	124,171	113,557	(95,395)	142,333	16,327
Total	<u>\$ 5,297,230</u>	<u>\$ 113,557</u>	<u>\$ (425,346)</u>	<u>\$ 4,985,441</u>	<u>\$ 342,860</u>

i. Revenue Bonds

Capital facilities are financed by debt which is guaranteed and subsidized by U.S. Department of Agriculture, Rural Housing Services (RHS). Revenue bonds are issued for the purpose of acquiring, constructing, and erecting additions, extensions, and improvements to the issuers existing low rent multifamily housing units and apartments and facilities for low-income domestic farm labor within the area of operation of the issuer (the "Project"). The bond is secured with a mortgage lien upon and a pledge of the land and facilities of the Project and the gross revenues to be derived from the operation of the Housing Facilities. Terms of the bond indenture contain various restricted covenants and management believes that they are in compliance with all covenants as of September 30, 2021.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

4. Noncurrent liabilities (continued)

*i. Revenue Bonds (continued)*

The Authority presently has bonds payable on its farm labor housing projects which are due annually in installments of varying principal and interest amounts. Revenue Bonds payable at September 30, 2021 are as follows:

*Series D Bond*

The Authority issued Revenue Bonds Series D (1991), in the amount of \$873,380 with 1% interest, due annually on September 1. The bond is due on September 1, 2023.

The future principal and interest maturities for this bond are as follows:

	Principal	Interest
2022	\$ 32,000	\$ 650
2023	33,000	330
Total	\$ 65,000	\$ 980

*Series E Bond*

The Authority issued Revenue Bonds Series E (1998), in the amount of \$970,000 with 1% interest, due annually on September 1. The bond is due on September 1, 2031.

The future principal and interest maturities for this bond are as follows:

	Principal	Interest
2022	\$ 33,000	\$ 3,450
2023	33,000	3,120
2024	34,000	2,790
2025	34,000	2,450
2026	34,000	2,110
2027-2031	177,000	5,340
Total	\$ 345,000	\$ 19,260

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

4. Noncurrent liabilities (continued)

i. Revenue Bonds (continued)

*Series F Bond*

The Authority issued Revenue Bonds Series E (2000), in the amount of \$1,415,075 with 1% interest, due annually on September 1. The bond is due on September 1, 2032.

The future principal and interest maturities for this bond are as follows:

	Principal	Interest
2022	\$ 48,000	\$ 5,520
2023	48,000	5,040
2024	49,000	4,560
2025	49,000	4,070
2026	50,000	3,580
2027-2031	256,000	10,330
2032	52,000	520
Total	\$ 552,000	\$ 33,620

*Series G Bond*

The Authority issued Revenue Bonds Series G (2015), in the amount of \$4,000,000 with 1% interest, due annually on September 1. The bond is due on September 1, 2048.

The future principal and interest maturities for this bond are as follows:

	Principal	Interest
2022	\$ 115,000	\$ 35,500
2023	116,000	34,350
2024	118,000	33,190
2025	119,000	32,010
2026	120,000	30,820
2027-2031	617,000	135,890
2032-2036	649,000	104,390
2037-2041	682,000	71,290
2042-2046	717,000	36,490
2047-2048	297,000	4,460
Total	\$ 3,550,000	\$ 518,390

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

4. Noncurrent liabilities (continued)

*i. Revenue Bonds (continued)*

*Series 2020 Bond*

The Authority issued Revenue Bonds Series 2020, not to exceed \$1,500,000 with 1% interest, due annually on September 1, beginning in 2023. The bond is due on September 1, 2053. As of September 30, 2021, \$55,257 has been drawn. There is no current portion payable.

The future principal and interest maturities for this bond are as follows:

	<u>Principal</u>	<u>Interest</u>
2022	\$ -	\$ 15,000
2023	42,000	15,000
2024	42,000	14,580
2025	43,000	14,160
2026	43,000	13,730
2027-2031	224,000	62,070
2032-2036	236,000	50,630
2037-2041	244,000	38,640
2042-2046	252,000	26,290
2047-2051	264,000	13,470
2052-2053	110,000	1,650
Total	<u>\$ 1,500,000</u>	<u>\$ 265,220</u>

1<sup>st</sup> Florida Integrity Note

In September 29, 2015, the Authority entered into a promissory note to a bank in the amount of \$219,150 at an interest rate of 3.5%. Payable in 84 monthly installments of interest and principal of \$2,950. Final payment due by September 29, 2022. This note is unsecured and has an outstanding balance of \$37,570 as of September 30, 2021.

The future principal and interest maturities for this note are as follows:

	<u>Principal</u>	<u>Interest</u>
2022	<u>\$ 31,501</u>	<u>\$ 2,686</u>

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

4. Noncurrent liabilities (continued)

Loan First Florida Bank

In August of 2019, the Authority entered into a promissory note to a bank in the amount of \$171,919 at an interest rate of 4.95%. Payable in 60 monthly installments of interest and principal of \$3,246. Final payment due by August 14, 2023. This note is unsecured and has an outstanding balance of \$31,501 as of September 30, 2021.

The future principal and interest maturities for this note are as follows:

	Principal	Interest
2022	\$ 33,620	\$ 646
2023	3,950	-
Total	\$ 37,570	\$ 646

Note Payable SHIP

In August of 2004, the Authority entered into a loan agreement with Collier County under the State housing initiatives partnership for their business activity, Horizon Village. Principal payments were deferred for a period of three years from the date of disbursement with seventeen equal annual payments of \$13,412 due beginning September 1, 2007 and continuing until payment in full is received on August 1, 2023. Interest on this note shall be 0% per annum, except that if the Authority fails to pay this note as required, the interest rate shall be 12% per annum from the date when the payment of this note is due until it is paid in full. The amount payable at September 30, 2021, was \$26,820.

The future principal maturities for this note are as follows:

	Principal
2022	\$ 13,412
2023	13,407
Total	\$ 26,819

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

4. Noncurrent liabilities (continued)

Note Payable Florida Community Bank

On May 31, 2006, the Authority executed a note payable to the Florida Community Bank in the amount of \$500,000 to finance the business activity of Horizon Village. This agreement was amended on March 28, 2013 with a remaining debt balance of \$359,961. The term of this note is 17 years with 3% interest. Payments of principal and interest are to be made annually. As of September 30, 2021, the outstanding balance was \$179,961.

The future principal and interest maturities for this note are as follows:

	Principal	Interest
2022	\$ 20,000	\$ 5,399
2023	20,000	4,799
2024	20,000	4,199
2025	20,000	3,599
2026	20,000	2,999
2027-2030	79,961	5,996
Total	\$ 179,961	\$ 26,991

In addition, the borrowings mentioned above, the Authority entered into a forgivable SHIP loan not reflected as long term debt, see Note B-7(c).

5. Pension plan

The Authority provides pension benefits for all of its full time regular employees through a defined contribution plan. The plan is administered by the Authority. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority matches the employee pre-tax deferral contributions up to 5% of the employee's base salary. The Authority's contributions for each employee, and earnings thereon, are fully vested after 1 year. Contributions for the plan and interest forfeited by employees who leave employment before vesting, are used to reduce the Authority's current-period contribution requirement. The amounts contributed by the Authority and its employees for the year ended September 30, 2021 were \$33,811 and \$43,841, respectively. There were no pension forfeitures during the fiscal year.

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

6. Risk management

The Authority is exposed to various risks of loss to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As part of the Authority's risk management program, the Authority has commercial insurance to manage its risks of loss. There were no significant reductions of insurance coverage from prior years and actual settlements did not exceed insurance coverage for each of the past three years.

7. Commitments and contingencies

a. *Legal*

In the normal course of operations, the Authority may be party to various pending or threatened legal actions. Although the outcome of these actions is not presently determinable, it is the Authority's opinion that any resulting liability is not expected to have a material effect on the Authority's financial position.

b. *Grants and contracts*

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. As of the date of this report, management is not aware of any such examinations, except as listed below.

The Authority was notified in a prior year by the United States Department of Agriculture ("USDA") regarding concerns over certain aspects of the operations of the USDA program. One of the concerns raised was that the Authority was in excess of \$430,000 above what was budgeted for operating and maintenance for the 2014 fiscal year. In addition, the USDA stated that there is an indication that project funds have been utilized for purposes unrelated to Rural Development's housing project. The USDA asserts that allowable expenses include those expenses that are directly attributable to housing project operations and are necessary to carry out successful operations and that housing project funds may not be used for "purposes unrelated to the housing project." As a result of the notification, the Authority engaged a forensic auditor to determine the extent of co-mingling of funds and the amount of project funds that were utilized for unallowable expenses. The amounts determined to have been incorrectly expensed by the USDA program have been recorded as a receivable from the respective other programs and recorded in the financial statements.

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

7. Commitments and contingencies (continued)

b. *Grants and contracts (continued)*

During the year ended September 30, 2016, the Authority signed a “repayment agreement” with the USDA to repay the Rural Housing program \$1,761,291 from business activities. The Authority is to make annual payments of \$55,040 for 32 years from business activities to repay the Rural Housing Program. The Authority acknowledged and agreed that a failure of the Authority to comply with the repayment agreement may be considered by the USDA a breach of the terms and conditions of outstanding loans, mortgages and grants. The amount due to the Rural Rental Assistance Program from business activities as of September 30, 2021 is \$1,162,914. These interprogram receivables and payables have been eliminated on the financial statements.

c. *SHIP promissory notes*

During the year ended September 30, 2019, the Authority obtained funding in the amount of \$600,000 from Collier County under the State Housing Initiatives Partnership (SHIP) program for the purchase of two rental properties. The SHIP program provides funds to eligible local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate income families. In order to assure compliance, the Authority entered into a SHIP promissory notes (two promissory notes at \$300,000 each totaling \$600,000) that carry an interest rate of 0% and are forgivable after a 15-year term if the Authority complies with the SHIP requirements. However, if the properties are sold, refinanced, no longer serve the intended purpose, or title transfers, the loan will be paid in full. The SHIP proceeds were recognized as income at the time of receipt since the Authority believes the likelihood of repayment is remote and intends to comply with the forgivable parameters of the borrowing.



**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

7. Commitments and contingencies (continued)

d. *Funds awarded*

The Authority receives funding from HUD through the CARES Act. Unspent funded awards as of September 30, 2021, amounted to \$57,038.

e. *Sinking fund:*

The Authority maintains a sinking fund under the terms of the revenue bonds. The Authority is required to make annual reserve deposits in the amount of \$400,000 plus the amount of any deficiency in prior deposits until funds and investments in the reserve account shall equal \$10,000,000. This annual reserve deposit amount shall increase each year. The balance of the reserves as of September 31, 2021 is \$2,339,917.

8. Concentrations

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 HUD and USDA. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD or USDA. Such changes may occur with little notice or inadequate funding to pay for related costs, and the additional administrative burden to comply with the changes. For the year ended September 30, 2021, approximately 48% of revenues and none of the receivables were from HUD and 6% of revenues and 19% of current receivables were from USDA.

9. Financial data schedule

As required by HUD, for REAC review purposes, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The schedule's format presents certain operating items as non-operating such as depreciation expense, and housing assistance payments. In addition, the schedule's format includes non-operating items as operating such as investment revenue, HUD capital grants revenue, interest expense and gains and losses on the disposal of capital assets. Furthermore, the schedule reflects tenant revenue and bad debt expense separately.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2021**

**NOTE B - DETAILED NOTES (continued)**

10. Subsequent events

Management has evaluated subsequent events through February 22, 2022, the date which the financial statements were available to be issued, and noted no additional significant items to be disclosed.

11. Component unit information

Component unit information for the Authority's blended component unit CCHA, as described in Note A-2 is presented below.

Condensed Statement of Net position:

<b>Assets</b>	
Current assets	\$ 30,986
<b>Net Position</b>	
Unrestricted	\$ 30,986

Condensed Statement of Revenues, Expenses and Changes in Net position:

Other revenue	\$ 887
Operating expenses	61
Change in net position	826
Total net position beginning	30,160
Total net position ending	\$ 30,986

Condensed Statement of Cash Flows:

<b>Net cash used in:</b>	
Operating activities	\$ (61)
Cash at beginning of the year	31,047
Cash at end of the year	\$ 30,986

**SUPPLEMENTARY INFORMATION**

Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2021

PHA: FL141 FYED: 09/30/2021													
Line Item No.	Account Description	Business Activities	Section 8 Housing Choice Voucher Program 14.871	Blended Component Unit	HOME Investment Partnerships Program 14.239	Rural Rental Assistance Payments 10.427	HCV CARES Act funding 14.HCC	COCC	10.405 Farm Labor Housing Loans and Grants	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	Elimination	Total
111	Cash - Unrestricted	1,827,002	135,001	30,986	12,558	296,025	-	591,495	-	-	52,810	-	2,945,877
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - Other Restricted	110,793	7,394	-	-	2,362,773	-	-	-	91,359	317,818	-	2,890,137
114	Cash - Tenant Security Deposits	137,705	-	-	-	132,319	-	-	-	-	-	-	270,024
115	Cash - Restricted for payment of current liability	-	-	-	-	-	57,038	-	-	-	-	-	57,038
100	Total Cash	2,075,500	142,395	30,986	12,558	2,791,117	57,038	591,495	-	91,359	370,628	-	6,163,076
121	Accounts Receivable - PHA Projects	-	37,031	-	-	-	-	-	-	-	-	-	37,031
122	Accounts Receivable - HUD	-	-	-	-	-	-	-	-	-	-	-	-
124	Accounts Receivable - Other Government	-	-	-	48,975	56,894	-	-	-	-	-	-	105,869
125	Accounts Receivable - Miscellaneous	-	-	-	-	94	-	71,320	-	-	-	-	71,414
126	Accounts Receivable - Tenants Dwelling Rents	93,692	-	-	-	45,950	-	-	-	-	-	-	139,642
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(33,541)	-	-	-	(2,972)	-	-	-	-	-	-	(36,513)
126.2	Allowance for Doubtful Accounts - Other	-	(25,000)	-	-	-	-	-	-	-	-	-	(25,000)
127	Notes, Loans, & Mortgages Receivable - current	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	9,928	-	-	-	-	-	-	-	-	-	9,928
128.1	Allowance for Doubtful Accounts - Fraud	-	(9,928)	-	-	-	-	-	-	-	-	-	(9,928)
129	Accrued Interest Receivable	-	-	-	-	2,021	-	-	-	-	-	-	2,021
120	Total Receivables, net of Allowances for Doubtful Accounts	60,151	12,031	-	48,975	101,987	-	71,320	-	-	-	-	294,464
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	215,428	-	-	-	-	-	-	215,428
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	88,169	6,578	-	770	107,187	-	13,655	-	-	-	-	216,359
143	Inventories	45,151	-	-	-	23,641	-	-	-	-	-	-	68,792
143.1	Allowance for Obsolete Inventories	(2,258)	-	-	-	(1,182)	-	-	-	-	-	-	(3,440)
144	Interprogram due from	-	-	-	-	1,162,914	-	-	-	-	(1,162,914)	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	2,266,713	161,004	30,986	62,303	4,401,092	57,038	676,470	-	91,359	370,628	(1,162,914)	6,954,679
161	Land	1,262,906	-	-	-	1,413,339	-	-	-	-	-	-	2,676,245
162	Buildings	14,488,880	-	-	-	22,626,451	-	21,091	-	-	-	-	37,136,422
163	Furniture, Equipment & Machinery -Dwellings	81,780	-	-	-	454,377	-	-	-	-	-	-	536,157
164	Furniture, Equipment & Machinery - Administration	332,055	141,304	-	-	1,320,793	-	48,483	-	-	-	-	1,842,635
165	Leasehold Improvements	269,041	-	-	-	111,350	-	-	-	-	-	-	380,391
166	Accumulated Depreciation	(15,322,667)	(112,059)	-	-	(16,343,729)	-	(29,546)	-	-	-	-	(31,808,001)
167	Construction In Progress	1,664	-	-	-	55,257	-	-	-	-	-	-	56,921
168	Infrastructure	2,563,702	-	-	-	3,253,209	-	-	-	-	-	-	5,816,911
160	Total Fixed Assets, net of Accumulated Depreciation	3,677,361	29,245	-	-	12,891,047	-	40,028	-	-	-	-	16,637,681
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	3,677,361	29,245	-	-	12,891,047	-	40,028	-	-	-	-	16,637,681
190	Total Assets	5,944,074	190,249	30,986	62,303	17,292,139	57,038	716,498	-	91,359	370,628	(1,162,914)	23,592,360

See independent auditor's report.

Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2021

PHA: FL141 FYED: 09/30/2021													
Line Item No.	Account Description	Business Activities	Section 8 Housing Choice Voucher Program 14.871	Blended Component Unit	HOME Investment Partnerships Program 14.239	Rural Rental Assistance Payments 10.427	HCV CARES Act funding 14.HCC	COCC	10.405 Farm Labor Housing Loans and Grants	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	Elimination	Total
311	Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	22,457	9,102	-	82	25,928	-	6,851	-	-	706	-	65,126
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	31,674	-	-	-	-	31,674
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-	-	-	-
322	Accrued Compensated Absences	3,745	631	-	-	4,679	-	7,272	-	-	-	-	16,327
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued Interest Payable	2,944	-	-	-	3,948	-	-	-	-	-	-	6,892
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	137,705	-	-	-	132,319	-	-	-	-	-	-	270,024
342	Unearned Revenues	41,922	-	-	1,162	81,755	57,038	231	-	-	136,500	-	318,608
343	Current Portion of Long-term Debt - Capital Projects	98,533	-	-	-	228,000	-	-	-	-	-	-	326,533
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	377	-	-	-	-	-	-	377
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram Due To	1,162,914	-	-	-	-	-	-	-	-	-	(1,162,914)	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	1,470,220	9,733	-	1,244	477,006	57,038	46,028	-	-	137,206	(1,162,914)	1,035,561
351	Long-term Debt, net of Current - Capital Projects	177,318	-	-	-	4,339,257	-	-	-	-	-	-	4,516,575
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	33,707	5,677	-	-	21,172	-	65,450	-	-	-	-	126,006
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	211,025	5,677	-	-	4,360,429	-	65,450	-	-	-	-	4,642,581
300	Total Liabilities	1,681,245	15,410	-	1,244	4,837,435	57,038	111,478	-	-	137,206	(1,162,914)	5,678,142
508.4	Net Investment in Capital Assets	3,401,510	29,245	-	-	8,323,790	-	40,028	-	-	-	-	11,794,573
511.4	Restricted Net Position	110,793	7,394	-	-	2,578,201	-	-	-	91,359	181,318	-	2,969,065
512.4	Unrestricted Net Position	750,526	138,200	30,986	61,059	1,552,713	-	564,992	-	-	52,104	-	3,150,580
513	Total Equity	4,262,829	174,839	30,986	61,059	12,454,704	-	605,020	-	91,359	233,422	-	17,914,218
600	Total Liabilities and Equity	5,944,074	190,249	30,986	62,303	17,292,139	57,038	716,498	-	91,359	370,628	(1,162,914)	23,592,360

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Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2021

PHA: FL141 FYED: 09/30/2021													
Line Item No.	Account Description	Business Activities	Section 8 Housing Choice Voucher 14.871	Blended Component Unit	HOME Investment Partnerships Program 14.239	Rural Rental Assistance Payments 10.427	HCV CARES Act funding 14.HCC	COCC	10.405 Farm Labor Housing Loans and Grants	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	Elimination	Total
70300	Net Tenant Rental Revenue	2,237,197	-	-	-	1,269,853	-	-	-	-	-	-	3,507,050
70400	Tenant Revenue - Other	16,758	-	-	-	11,687	-	-	-	-	-	-	28,445
70500	Total Tenant Revenue	2,253,955	-	-	-	1,281,540	-	-	-	-	-	-	3,535,495
70600	HUD PHA Grants	-	4,411,857	-	-	-	88,877	-	-	93,480	236,223	-	4,830,437
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	487,627	-	-	-	(487,627)	-
70730	Book Keeping Fee	-	-	-	-	-	-	38,723	-	-	-	(38,723)	-
70800	Other Government Grants	-	-	-	154,962	651,979	-	2,500	-	-	-	-	809,441
71100	Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	93,216	372,756	887	-	35,866	-	381,054	-	-	-	-	883,779
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	7,847	-	-	-	-	-	-	7,847
70000	Total Revenue	2,347,171	4,784,613	887	154,962	1,977,232	88,877	909,904	-	93,480	236,223	(526,350)	10,066,999
91100	Administrative Salaries	143,373	31,544	-	12,863	97,907	52,750	317,892	-	-	-	-	656,329
91200	Auditing Fees	7,137	2,832	-	-	7,112	-	3,260	-	-	-	-	20,341
91300	Management Fee	210,966	74,867	-	-	201,794	-	-	-	-	-	(487,627)	-
91310	Book-keeping Fee	-	38,723	-	-	-	-	-	-	-	-	(38,723)	-
91400	Marketing and Advertising Fees	4,799	-	-	-	7,692	-	31	-	-	-	-	12,522
91500	Employee Benefit Contributions - Administrative	50,838	39,203	-	1,071	42,276	4,286	88,816	-	-	-	-	226,490
91600	Office Expenses	36,010	57,328	-	620	24,122	-	26,122	-	-	-	-	144,202
91700	Legal Expenses	4,930	-	-	-	-	-	9,823	-	-	-	-	14,753
91800	Travel	-	-	-	-	-	-	439	-	-	-	-	439
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	46,757	43,278	61	135	26,110	8,174	52,630	-	-	-	-	177,145
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	-	-	-	-	-	-	-	-	-	-	-	-
93100	Water	26,429	-	-	-	8,216	-	43,935	-	-	-	-	78,580
93200	Electricity	63,783	2,361	-	-	29,028	-	34,849	-	-	-	-	130,021
93300	Gas	2,534	-	-	-	-	-	16,982	-	-	-	-	19,516
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	151,423	-	-	-	163,869	-	4,193	-	-	-	-	319,485
94200	OMO - Materials and Other	124,402	-	-	-	102,959	-	4,305	-	-	-	-	231,666
94300	Ordinary Maintenance and Operations - Contract Costs	186,564	5,088	-	-	256,688	-	4,120	-	-	-	-	452,460
94500	Employee Benefit Contributions - Ordinary Maintenance	79,469	-	-	-	79,048	-	1,735	-	-	-	-	160,252
95100	Protective Services - Labor	-	-	-	-	-	-	-	-	-	-	-	-

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Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2021

PHA: FL141 FYED: 09/30/2021													
Line Item No.	Account Description	Business Activities	Section 8 Housing Choice Voucher Program 14.871	Blended Component Unit	HOME Investment Partnerships Program 14.239	Rural Rental Assistance Payments 10.427	HCV CARES Act funding 14.HCC	COCC	10.405 Farm Labor Housing Loans and Grants	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	Elimination	Total
95200	Protective Services - Other Contract Costs	26,647	1,589	-	-	5,145	-	1,349	-	-	-	-	34,730
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	106,565	296	-	-	142,876	-	3,159	-	-	-	-	252,896
96120	Liability Insurance	37,402	1,688	-	-	35,382	-	2,086	-	-	-	-	76,558
96130	Workmen's Compensation	14,565	3,949	-	-	13,833	-	7,411	-	-	-	-	39,758
96140	All Other Insurance	2,086	4,225	-	-	2,226	-	1,031	-	-	-	-	9,568
96200	Other General Expenses	3,822	5,774	-	-	548	-	4,446	-	-	-	-	14,590
96210	Compensated Absences	31,374	8,569	-	-	33,930	-	39,684	-	-	-	-	113,557
96300	Payments in Lieu of Taxes	3,000	-	-	-	-	-	3,150	-	-	-	-	6,150
96400	Bad Debt - Tenant Rents	68,851	-	-	-	9,817	-	-	-	-	-	-	78,668
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long-Term)	8,112	-	-	-	47,380	-	-	-	-	-	-	55,492
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	1,441,838	321,314	61	14,689	1,337,958	65,210	671,448	-	-	-	(526,350)	3,326,168
97000	Excess Operating Revenue over Operating Expenses	905,333	4,463,299	826	140,273	639,274	23,667	238,456	-	93,480	236,223	-	6,740,831
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	77	-	-	-	-	-	-	77
97300	Housing Assistance Payments	-	4,073,353	-	140,273	-	-	-	-	2,121	-	-	4,215,747
97350	HAP Portability-In	-	349,262	-	-	-	-	-	-	-	2,801	-	352,063
97400	Depreciation Expense	367,440	11,452	-	-	565,278	-	8,358	-	-	-	-	952,528
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
97700	Debt principal payment - governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	1,809,278	4,755,381	61	154,962	1,903,313	65,210	679,806	-	2,121	2,801	(526,350)	8,846,583
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-	-
10050	Proceeds from notes, loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-
10060	Proceeds from property sales	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary Items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	537,893	29,232	826	-	73,919	23,667	230,098	-	91,359	233,422	-	1,220,416
11010	Capital Outlays Enterprise Fund	-	-	-	-	-	-	-	-	-	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	3,724,936	121,940	30,160	61,059	12,380,785	-	374,922	-	-	-	-	16,693,802
11040	Prior Period Adjustments, Equity Transfer and Correction of Errors	-	23,667	-	-	-	(23,667)	-	-	-	-	-	-
11040.1	Transfer from Capital Fund of Capital Items	-	-	-	-	-	-	-	-	-	-	-	-
11040.2	Transfer Fixed Assets to HCV	-	23,667	-	-	-	(23,667)	-	-	-	-	-	-
11040.7	Transfer Disaster Grants	-	-	-	-	-	-	-	-	-	-	-	-
11040.8	Transfer COCC	-	-	-	-	-	-	-	-	-	-	-	-
11060	Changes in contingent liability balance (in the GTLDAG)	-	-	-	-	-	-	-	-	-	-	-	-
11070	Changes in unrecognized pension transition liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-	-	-	-
11080	Changes in special terms/severance benefits liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-	-	-	-
11090	Changes in allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-	-	-	-	-
11100	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	167,445	-	-	-	-	-	-	-	-	-	167,445
11180	Housing Assistance Payments Equity	-	7,394	-	-	-	-	-	-	-	-	-	7,394
11190	Unit Months Available	-	5,592	-	242	3,780	-	-	-	-	-	-	9,614
11210	Number of Unit Months Leased	4,201	5,156	-	242	3,397	-	-	-	-	-	-	12,996
11270	Excess Cash	-	-	-	-	-	-	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11630	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture and Equipment - Administration Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvement Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-

See independent auditor's report.

Collier County Housing Authority

Schedule of CARES Act Fund Programs Costs and Advances

For the year ended September 30, 2021

<b>PROGRAM</b>	<b>14.HCC</b>
<b>BUDGET</b>	<u>\$ 223,032</u>
<b>ADVANCES</b>	
Prior years	\$ 223,032
Current year	-
Cumulative as of September 30, 2021	<u>223,032</u>
<b>COSTS</b>	
Prior years	77,118
Current year	88,876
Cumulative as of September 30, 2021	<u>165,994</u>
<b>UNSPENT ADVANCES (UNEARNED REVENUE)</b>	<u>\$ 57,038</u>

See independent auditor's report.



## Collier County Housing Authority

### FARM WORKER SUBSIDIZED HOUSING PROGRAM - UNAUDITED

For the year ended September 30, 2021

The following is supplementary information requested by the U.S. Department of Agriculture - Rural Housing Services (formerly Farmers Home Administration).

1. **Exemption from Real Estate and Income Taxes** - The Authority is a public body corporate and politic pursuant to Chapter 421, Laws of the State of Florida, which is subsidized by the federal government. The Authority is not subject to federal, state income taxes, or local property taxes, nor is it required to file federal and state income tax returns as a public body corporate and politic pursuant to Chapter 423, Laws of the State of Florida Laws of the State of Florida.
2. **Reserves** - The Housing Authority has maintained reserves for operations and Bond debt service at September 30, 2021. See also Notes to Financial Statements for additional information.
3. **Accounting Records and Fixed Asset Control** - The accounting records maintained are adequate to facilitate budgetary reporting and analytical purposes. The fixed assets are also adequately safeguarded by the Authority personnel.
4. **Financial Reports** - The financial reports included in this audit are in agreement with the accounting records of the Authority after audit adjustments have been made.
5. **Deposit Funds** - We noted that deposit funds are adequately insured by the FDIC and properly collateralized and are at or exceed the reserve levels required under the Loan and Grant Agreement as of September 30, 2021.
6. **Comments on Compliance and Administrative Internal Control** - We have audited the basic financial statements of the Collier County Housing Authority and have issued our report thereon dated February 22, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Finally, we have also issued a report on the Authority's compliance with the types of compliance requirements described in the *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

7. **Other Findings or Recommendations for the Period Ended September 30, 2021** - See the schedule of findings and questioned costs where we did not identify any findings. Furthermore, no recommendations were identified in a separate letter.

**Collier County Housing Authority**

**FARM WORKER SUBSIDIZED HOUSING PROGRAM - UNAUDITED**

**For the year ended September 30, 2021**

The following is supplementary information requested by the U.S. Department of Agriculture - Rural Housing Services (formerly Farmers Home Administration) (continued).

- 8. The Required Schedule of Expenditures of Federal Awards** along with required reports on Internal Controls and Federal Compliance as outlined under Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* were issued to the Authority as one report, as mandated by the Amended Single Audit Act of 1996 Amendment (Public Law 104-156).
- 9. Accounts Receivable-Tenants** - Tenants accounts receivable at September 30, 2021 totaling \$26,447 were accounts aged at ninety days (90) or less.
- 10. Accounts Payable** consists of \$25,928 at September 30, 2021. This balance which is payable to recurring vendors is for services or purchases of ninety days (90) or less.
- 11. Management Fees** - The Collier County Housing Authority is the owner of the Farm Worker Subsidized Housing Program. Management fees of \$201,794 were charged by the COCC.
- 12. Schedule and Computation of Current Return to Owners Allowed** - Not Applicable, because the Authority is a legal public Authority and not a private enterprise.
- 13. Schedule of Changes in Owners and Board of Commissioners** - This is a local Public Authority and can never change its owners. The following is a list of the current Board of Commissioners.

<u>Commissioner</u>	<u>Expiration of Term</u>	<u>Address</u>
David B. Genson	November 7, 2018	Naples, Florida
Randolph B. Cash	October 17, 2018	Naples, Florida
Jay Roth	October 27, 2019	Ave Maria, Florida

Due to the Pandemic all board terms have been extended per the Governor.

**Collier County Housing Authority**

**FARM WORKER SUBSIDIZED HOUSING PROGRAM - UNAUDITED**

**For the year ended September 30, 2021**

The following is supplementary information requested by the U.S. Department of Agriculture - Rural Housing Services (formerly Farmers Home Administration) (continued).

**14. Schedule of Rental Information**

<b>Unit Size</b>	<b>Number of Units</b>	<b>Rental Rate</b>	<b>Months</b>	<b>Gross Potential Rent</b>
One bedroom unit	33	\$ 530	12	\$ 209,880
Two bedroom unit	111	\$ 595	12	792,540
Three bedroom unit	102	\$ 630	12	771,120
Four bedroom unit	69	\$ 655	12	542,340
	<u>315</u>			<u>\$ 2,315,880</u>

<b>Actual Rental Revenue</b>	<b>Percentage</b>	<b>Amount</b>
Tenants	66.08%	\$ 1,269,853
RHA rental assistance subsidy	33.92%	651,979
		<u>\$ 1,921,832</u>

Note 1 - Rental rates were effective October 1, 2017. Management provides for the monthly collection of rent.

**15. Real Estate Taxes** - The Authority is a local public body corporate and politic and is tax exempt by State of Florida, Section 423.

**Collier County Housing Authority**  
**CERTIFICATE OF BORROWER - UNAUDITED**  
**For the year ended September 30, 2021**



February 22, 2022

USDA Rural Development Office  
420 South SR 7, Suite # 166  
Royal Palm Beach, FL 33414

In accordance with the criteria specified in Section 5; Paragraph 4.16 C. of the USDA Rural Development Handbook (HB-2-3560) for the year ended **September 30, 2021**, the borrower must self-certify that **Collier County Housing Authority (the Authority)** is in compliance with the nine performance standards. The following is a summary of our compliance with the performance standards.

1. The required accounts are properly maintained and tracked separately. The accounts we maintain are marked below:

  X   Operating Account(s)                        X   Security Deposit Account  
  X   Tax & Insurance Account                  X   Reserve Account  
  X   Other Accounts: Debt Service

2. The payments from operating accounts are disclosed and accurately represented.
3. The reserve account(s):
  - a. is on schedule with the Agency required minimum funding requirements;
  - b. is maintained in a supervised bank account that requires the Agency's countersignature on all withdrawals;
  - c. is on schedule with contributions to the reserve account for the current year with the Agency required minimum funding; and
  - d. replacement reserve accounts were used only for authorized purposes in accordance with 7 CFR 3560.306(g).
4. The tenant security deposits accounts are fully funded and are maintained in separate accounts.
5. The payment of owner return was: N/A (owner is a government entity)

  N/A   paid in the amount of \$      for 20XX fiscal year and was (*was not*) in accordance with the Agency's requirements; OR

  N/A   not paid during the reporting year; OR

  N/A   not allowable due to our non-profit status; OR

  N/A   not allowable due to our non-profit status. However, an asset management fee in the amount of \$   0   was paid for 20XX fiscal year.

**Collier County Housing Authority**

**CERTIFICATE OF BORROWER - UNAUDITED**

**For the year ended September 30, 2021**

6. The borrower has maintained proper insurance in accordance with the requirements in 7 CFR 3560.105. Coverage maintained for *the Authority* is as follows:

Liability Insurance                       Flood Insurance  
 Property Insurance                       Earthquake Insurance  
 Fidelity Bond                               Other: Public Officials Liability

7. All financial records are adequate and suitable for examination.
8. There have been no changes in the ownership of the **Farm Worker Subsidized Housing Program**, other than those approved by the Agency and identified in the certification. The Board of Commissioners is active and maintains oversight responsibilities for the project.
9. Exemptions from Real Estate and Income Taxes: The Authority is a public body corporate and politic pursuant to Chapter 421, Laws of the State of Florida, which is subsidized by the Federal Government. The Authority is not subject to Federal, State income taxes, or Local property taxes, nor is it required to file Federal and State income tax returns as a public body corporate and politic pursuant to Chapter 423, Laws of the State of Florida.

I certify that the above is true, accurate and is properly supported by documentation kept in our files.



Oscar Hentschel

February 22, 2022

Collier County Housing Authority

**SINGLE AUDIT AND COMPLIANCE INFORMATION**

**Collier County Housing Authority**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended September 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number		Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
HOME	14.239		\$ 154,962
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871	\$ 4,411,857	
COVID-19 Housing Choice Voucher Program	14.871	88,877	
Mainstream Voucher Program	14.879	93,480	
Emergency Housing Voucher Program	14.EHV	<u>236,223</u>	
Subtotal Housing Voucher Cluster			4,830,437
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Farm Labor Housing Loans and Grants	10.405		4,567,257
Rural Rental Assistance Program	10.427		<u>651,979</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 10,204,635</u></u>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Collier County Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

In accordance with HUD regulations, HUD considers the Annual Budget Authority for the Section 8 Housing Choice Voucher Program, CFDA No. 14.871, to be an expenditure for the purposes of this schedule. Therefore, the amount in this schedule is the total amount received directly from HUD.

See independent auditor's report.

**Collier County Housing Authority**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**

**For the year ended September 30, 2021**

**NOTE B - INDIRECT COST RATE**

The Authority did not elect to use the 10-percent de minimis indirect cost rate.

**NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE D - NONCASH FEDERAL ASSISTANCE**

The Authority has received noncash Federal assistance in the form of the Farm Labor Housing Loan in the amount of \$4,567,257 as of the year ended 9/30/2021.

**NOTE E - SUB-RECIPIENTS**

During the year ended September 30, 2021, the Authority had no sub-recipients.

**NOTE F - CARES ACT FUNDING**

The Authority had \$57,038 of CARES Act funding awarded but unspent as of the year ended September 30, 2021.

See independent auditor's report.





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

Board of Commissioners  
Collier County Housing Authority  
Immokalee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Collier County Housing Authority (the "Authority"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 22, 2022.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 22, 2022  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*



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

Board of Commissioners  
Collier County Housing Authority  
Immokalee, Florida

### Report on Compliance for Each Major Federal Program

We have audited Collier County Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2021. The Authority's major federal program is 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 the 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 the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### MELBOURNE

8035 Spyglass Hill Road  
Melbourne, FL 32940  
321-757-2020

#### ORLANDO

255 South Orange Avenue, #1200  
Orlando, FL 32801  
407-841-8841

## Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

## Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Authority's internal control over compliance.

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

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

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

February 22, 2022  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

Collier County Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness identified? **No**

Significant deficiency identified? **None reported**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major program:

Material weakness identified? **No**

Significant deficiency identified? **None reported**

Type of auditor's report issued on compliance for major program: **Unmodified**

There are no findings disclosed in this report that are required to be reported in accordance with 2 CFR 200.516(a).

The program tested as a major program is as follows:

USDA Farm Labor Housing Loans and Grants - CFDA 10.405

The threshold for distinguishing types A and B programs was **\$750,000**

Did the auditee qualify as a low-risk auditee? **Yes**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

**None.**

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

**None.**

D. SUMMARY OF PRIOR YEAR FINDINGS

**None.**