

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

AUDIT REPORT

For the Year Ended September 30, 2018

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

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September 30, 2018

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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 Collier County Housing Authority ("Authority") as of and for the year ended September 30, 2018, 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. 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.

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 financial position of the Collier County Housing Authority, as of September 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 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 Collier County Housing Authority's basic financial statements. The accompanying Financial Data Schedule is presented for additional analysis and is not a required part of the financial statements. The 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 (Uniform Guidance)*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, 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.



Barton, Gonzalez & Myers, P.A.
Certified Public Accountants
February 26, 2019

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Management Discussion and Analysis

September 30, 2018

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

The most significant changes on the 2018 financial statements were in assets, liabilities, and revenue.

Financial Highlights

- **Assets:**

As of September 30, 2018, total assets were \$21,681,076 as compared to \$19,893,207, as of September 30, 2017, an increase of \$1,787,869. Current assets decreased \$687,441 and capital assets increased 2,475,310 (mostly due to the construction on the Rehab of the USDA units).

- **Liabilities:**

Total liabilities decreased \$684,055 due to a decrease in current liabilities of \$577,964 and a decrease in noncurrent liabilities of \$106,091 (due to the USDA revenue bonds partly funding the construction in progress).

- **Revenues:**

In 2018, total revenue decreased \$427,275, as compared to 2017, due to decreases in Federal Grants (mainly for the USDA Rehab).

- **Expenses:**

Total expenses increased \$623,170 due mainly to increase in administrative costs, housing assistance payments, maintenance costs and depreciation.

Overview of the Financial Statements

The annual report includes a Management Discussion and Analysis report, the Basic Financial Statements, the Notes to the Financial Statements, and the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD. The financial statements are presented as fund level financial statements because the Housing Authority only has proprietary funds.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Management Discussion and Analysis

September 30, 2018

The financial statements report information using accounting methods like those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes assets and liabilities plus provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating capital structure to include assessing liquidity and financial flexibility.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities like those found in the private business sector where the determination of net position is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which assets and liabilities, associated with the operation of these funds, are included on the balance sheet. Their focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. Our discussion and analysis provides an overview of the financial activities and performance for year-end September 30, 2018.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the ability of management to meet budgets, maintain property (meets HUD specifications and inspections), and determines whether the Housing Authority has successfully recovered costs through its rental fees and other charges. It can also be used to measure profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplemental information included in the financial statements contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Management Discussion and Analysis

September 30, 2018

Financial Analysis

One of the most important questions concerning finances is the following; "Is the Housing Authority as a whole better, or worse, off because of the achievements of the reported fiscal year?" The purpose of the information presented in this Management's Discussion and Analysis is to assist the reader in answering this question. The basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement of Net Position provides a summary of assets and liabilities as of the close of business on September 30, 2018. The Statement of Revenues, Expenses, and Changes in Fund Net Position summarize the revenues, and sources of those revenues, generated and the expenses incurred in operating the Housing Authority for the year-ended September 30, 2018.

Collier County Housing Authority's primary programs were a Section 8 Housing Choice Voucher program that provides rental assistance to qualified individuals living in private housing, a Rural Rental Assistance Payments program which aids low-income families in rural areas, a Farm Labor Housing Loans and Grants program, and a business activities program.

Net Position

September 30,

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% of Change</u>
Current Assets	\$ 3,719,066	\$ 4,406,507	\$ (687,441)	-15.60%
Capital Assets, Net	17,962,010	15,486,700	2,475,310	15.98%
Total Assets	\$ <u>21,681,076</u>	\$ <u>19,893,207</u>	\$ <u>1,787,869</u>	<u>8.99%</u>
Current Liabilities	947,459	1,525,423	(577,964)	-37.89%
Noncurrent Liabilities	5,598,169	5,704,260	(106,091)	-1.86%
Total Liabilities	\$ <u>6,545,628</u>	\$ <u>7,229,683</u>	\$ <u>(684,055)</u>	<u>-9.46%</u>
Net Position:				
Investment in				
Capital Assets	12,668,010	10,083,700	2,584,310	25.63%
Restricted Net				
Position	2,031,488	2,805,534	(774,046)	-27.59%
Unrestricted Net				
Position	435,950	(225,710)	661,660	-293.15%
Total Net				
Position	\$ <u>15,135,448</u>	\$ <u>12,663,524</u>	\$ <u>2,471,924</u>	<u>19.52%</u>

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Management Discussion and Analysis

September 30, 2018

Capital Assets

(Net of Accumulated Depreciation)
September 30,

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% of Change</u>
Land	\$ 2,568,713	\$ 2,568,712	\$ 1	0.00%
Infrastructure	4,873,899	4,841,399	32,500	0.67%
Buildings	36,597,271	25,188,208	11,409,063	45.30%
Furniture & Equipment - Dwell	529,057	529,057	0	0.00%
Furniture & Equipment - Admin	1,755,566	1,721,600	33,966	1.97%
			-	
Construction in Progress	329,405	8,492,754	(8,163,349)	96.12%
Subtotal	46,653,911	43,341,730	3,312,181	7.64%
Accumulated Depreciation	(28,691,901)	(27,855,030)	(836,871)	3.00%
Net Capital Assets	\$ 17,962,010	\$ 15,486,700	\$ 2,475,310	15.98%

Net Position Investment in Capital Assets

Net Position Investment in Capital Assets increased \$ 2,584,310 due to a net increase in fixed assets of \$2,475,310 and an overall reduction in debt related to Capital Assets of \$109,000.

Total Net Position

The balance in total net position, \$15,135,448, was the compilation of revenues, expenses, and capital expenditures accumulated during the life of the Housing Authority. Current year revenues (\$9,891,655) exceeded expenses (\$7,415,289) by \$2,476,366 less a restatement of prior year equity of (\$4,442) for a total Increase in net position of \$2,471,924.

Debt

Total debt consisted of \$5,294,000 in revenue bonds for the Rural Rental Assistance Payment program and \$608,428 in operational borrowing for the business activities program. The current portion of long-term debt was \$332,000 for the Rural Rental Assistance Payments program and \$95,984 for the business activities program.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Management Discussion and Analysis

September 30, 2018

The noncurrent portion of long-term debt was \$4,962,000 for the Rural Rental Assistance Payments program and \$512,444 for the business activities program.

Changes in Net Position

For the Year Ended September 30

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% of Change</u>
Revenue:				
Tenant Revenue	\$ 2,608,161	\$ 2,343,109	\$ 265,052	11.31%
Federal Grants & Subsidy	6,336,402	7,588,333	(1,251,931)	-16.50%
Investment	14,124	7,761	6,363	81.99%
Other Income	932,968	379,727	553,241	145.69%
Total Revenue	<u>9,891,655</u>	<u>10,318,930</u>	<u>(427,275)</u>	<u>-4.14%</u>
Expenses:				
Administrative	1,142,185	1,036,214	105,971	10.23%
Tenant Services	7,185	27,212	(20,027)	-73.60%
Utilities	144,088	114,994	29,094	25.30%
Routine Maintenance	1,106,316	888,346	217,970	24.54%
Protective Services	24,319	24,319	0	0.00%
General	416,222	406,813	9,409	2.31%
Interest	69,965	51,888	18,077	34.84%
Housing Assistance Payments	3,668,138	3,587,224	80,914	2.26%
Casualty Losses	0	0	0	0.00%
Depreciation	836,871	655,109	181,762	27.75%
Total Operating Expenses	<u>7,415,289</u>	<u>6,792,119</u>	<u>623,170</u>	<u>9.17%</u>
Increase (Decrease) in Net Position	<u>\$ 2,476,366</u>	<u>\$ 3,526,811</u>	<u>\$ (1,050,445)</u>	<u>-29.78%</u>

Changes in Net Position

Changes in total revenue were due mainly to an increase in insurance settlement payments and a decrease of government grants for the Farm Labor Housing Loans and Grants program (rehab program). Total operating expenses increased due to routine general upkeep/maintenance repairs and adjustment of depreciation expense. The net effect was a decrease in changes in net position.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Management Discussion and Analysis

September 30, 2018

Economic Factors

The Housing Authority is primarily dependent upon HUD and the USDA for the funding of operations. The entity is affected by both federal budgetary decisions and by local economic conditions.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show accountability for money it receives. If you have questions or need further clarification regarding the financial statements, contact Mr. Oscar Hentschel, Executive Director, Collier County Housing Authority, 1800 Farm Worker Way, Immokalee, FL 34142, telephone number (239)657-3649.

Collier County Housing Authority
Immokalee, Florida

Statement of Net Position - Proprietary Fund Type

September 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets:	
Cash and cash equivalents	\$ 996,573
Cash and cash equivalents - restricted	2,093,692
Investments - restricted	204,437
Tenants receivable, net	
of allowance for doubtful accounts of \$26,246	72,056
Accounts receivable - government	106,870
Accounts receivable - other	5,637
Accrued interest receivable	1,024
Prepaid expenses	173,744
Supplies inventory, net	
of allowance for obsolescence of \$3,458	65,033
Total current assets	<u>3,719,066</u>
Noncurrent Assets:	
Capital Assets	
Nondepreciable capital assets	2,568,713
Depreciable capital assets, net	15,063,892
Construction in progress	329,405
Total capital assets	<u>17,962,010</u>
Total noncurrent assets	<u>17,962,010</u>
Deferred Outflows of Resources	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 21,681,076</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 90,052
Tenant security deposits	205,709
Accrued compensated absences	7,183
Accrued interest payable	47,251
Unearned revenue	169,280
Current maturities of notes payable	95,984
Current maturities of bonds payable	332,000
Total current liabilities	<u>947,459</u>
Noncurrent Liabilities:	
Accrued compensated absences	64,650
Other liabilities (FSS escrow)	59,075
Notes payable	512,444
Bonds payable	4,962,000
Total noncurrent liabilities	<u>5,598,169</u>
Total liabilities	<u>6,545,628</u>
Deferred Inflows of Resources	<u>-</u>
Net Position:	
Net investment in capital assets	12,668,010
Restricted net position	2,031,488
Unrestricted net position	435,950
Total net position	<u>15,135,448</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 21,681,076</u>

See auditor's report.

The notes to the financial statements are an integral part of this statement.

Collier County Housing Authority
Immokalee, Florida

Statement of Revenues, Expenses and Changes in Fund
Net Position - Proprietary Fund Type

For the Year Ended September 30, 2018

Operating revenues:	
Tenant rental revenue (net)	\$ 2,608,161
HUD operating grants	3,673,941
Other government grants	2,662,461
Other revenue	932,968
Total operating revenues	<u>9,877,531</u>
Operating expenses:	
Administration	1,142,185
Tenant services	7,185
Utilities	144,088
Ordinary maintenance	1,106,316
Protective services	24,319
General expenses	416,222
Housing assistance payments	3,668,138
Depreciation	836,871
Total operating expenses	<u>7,345,324</u>
Operating income	<u>2,532,207</u>
Nonoperating revenue and expense:	
Interest expense	(69,965)
Interest income	14,124
Net nonoperating expense	<u>(55,841)</u>
Net income	2,476,366
Contributions - capital grants	<u>-</u>
Increase in net position	2,476,366
Net position, beginning of year, restated	<u>12,659,082</u>
Net position, end of year	<u><u>\$ 15,135,448</u></u>

See auditor's report.

The notes to the financial statements are an integral part of this statement.

Collier County Housing Authority
Immokalee, Florida

Statement of Cash Flows - Proprietary Fund Type

For the Year Ended September 30, 2018

Cash flows provided from operating activities:

Cash received from tenants and others	\$ 3,650,078
Cash paid for goods and services	(2,108,860)
Cash paid to employees for services	(963,335)
Cash paid for housing assistance payments	(3,668,138)
HUD PHA grants received	3,673,941
Other government grants	2,844,787
Net cash provided from operating activities	<u>3,428,473</u>

Cash flows used by capital and related financing activities:

Acquisition of capital assets	(3,802,704)
Payments of interest on notes and bonds	(31,318)
Payments of principal on notes and bonds	(174,897)
Proceeds from notes and bonds payable	5,000
Net cash used by capital and related financing activities	<u>(4,003,919)</u>

Cash flows provided by investing activities:

Interest on investments	13,100
Purchase of investments, net	(1,590)
Net cash flows provided by investing activities	<u>11,510</u>

Net decrease in cash and cash equivalents	(563,936)
Cash and cash equivalents, beginning of year	<u>3,654,201</u>
Cash and cash equivalents, end of year	<u>\$ 3,090,265</u>

Reconciliation of operating income to net cash provided from operating activities:

Operating income:	\$ 2,532,207
Adjustments to reconcile operating income to net cash provided from operating activities:	
Depreciation	836,871
Decrease in tenants, accounts receivable - government, accounts receivable - other	173,057
Increase in prepaid expenses	(13,023)
Increase in supplies inventory	(33,915)
Increase in accrued compensated absences	20,197
Increase in unearned revenue	66,244
Decrease in accounts payable, accrued liabilities and security deposits	(176,288)
Increase in other liabilities	23,123
Total adjustments	<u>896,266</u>
Net cash provided from operating activities	<u>\$ 3,428,473</u>

Non-cash activity

1. Accounts payable and acquisition of capital assets are net of \$490,523 for the difference of the prior year liability to a contractor for construction in progress of \$490,584 less the liability to the contractor in the current year of \$61.

See auditor's report.

The notes to the financial statements are an integral part of this statement.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 1: Summary of Significant Accounting Policies and Organization:

- A. Organization:** Collier County Housing Authority ("the Authority") is a public body corporate and politic pursuant to Chapter 421 Laws of the State of Florida which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies.

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.

Effective July 1, 1992, the Board of Commissioners of Collier County transferred all of its HUD Housing Assistance Payments programs to the Authority, pursuant to an Assumption and Inter-local agreement. The transfer was approved by the U.S. Department of Housing and Urban Development pursuant to a Contract of Novation between the Authority, the County and HUD.

The Authority has agreed to undertake the development and operation of certain low rent housing projects and to provide decent, safe and sanitary housing for eligible families pursuant to Section 8 of the Housing Assistance Act by means of Housing Assistance Payments to owners through Annual Contributions Contract number A-3402V (Housing Choice Vouchers, Housing Assistance Program).

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

Blended Component Unit:

CCHA Land Development Corporation - this component unit has been blended for financial statement presentation.

The basic financial statements of the Collier County Housing Authority include Farm Labor Housing Loans and Grants (Rural Housing Service Capital Projects Program), Section 8 Housing Assistance Programs under Annual Contributions Contract A-3402, Horizon Village (a business activity) which provides affordable housing to low to moderate income families, local grants (Homeless Prevention Rapid Re-housing Program), and the CCHA Land Development Corporation, which is a non-profit corporation organized, incorporated and controlled, by the Collier County Housing Authority for the advancement of affordable housing.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 1: Summary of Significant Accounting Policies: (Continued)

- C. Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Pursuant to *GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, certain accounting and financial reporting guidance is applied in the preparation of the basic financial statements, unless those pronouncements conflict with or contradict GASB pronouncements.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

Net Investment in Capital Assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service. The statement of net position of the Authority reports \$2,031,488 of restricted net position, which consists of the following:

USDA sinking fund (Note 8)	\$ 191,258
USDA sinking fund reserve replacement (Note 8)	1,759,072
HCV HAP reserves	2,471
Unused insurance proceeds	78,687
Total restricted net position	<u>\$ 2,031,488</u>

Unrestricted - Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

- D. Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 1: Summary of Significant Accounting Policies: (Continued)

- E. Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents.
- F. Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Rural Housing Services Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.
- G. 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 U.S Department of Agriculture. 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 State of Florida.
- H. Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.
- I. Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.
- J. Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
- K. Fair Value of Financial Instruments:** The carrying amount of the Authority's financial instruments at September 30, 2018 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 1: Summary of Significant Accounting Policies: (Continued)

L. Capital Assets:

1. **Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation. Donated fixed assets are recorded at their fair value at the time they are received. Donor imposed restrictions are deemed to expire as the asset depreciates. All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

2. **Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

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

3. **Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$500 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

- M. **Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are 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.

- N. **Other Post Employment Benefits (OPEB):** In relation to its employee benefit programs, the Authority does not provide any Other Post Employment Benefits, as outlined under GASB 75.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 1: Summary of Significant Accounting Policies: (Continued)

- O. Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable and the loss is reasonably estimable.
- P. Annual Contribution Contracts:** Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.
- Q. Risk Management:** The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.
- R. Use of Restricted Assets:** It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.
- S. Operating Revenues and Expenses:** The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2: Deposits and Investments:

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year, except as shown on the Statement of Cash Flows.

- A. HUD Deposit and Investment Restrictions** - HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 2: Deposits and Investments: (Continued)

B. Risk Disclosures

1. **Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase.

At September 30, 2018, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

2. **Credit Risk:** This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

C. Deposit and Investment Risks

The Authority held the following deposits and investments at September 30, 2018.

Deposits and Investments:	Carrying Value
Demand Deposits	3,090,265
Investments (certificates of deposit) - restricted	204,437
	<u>\$ 3,294,702</u>
Restricted cash consists of the following:	
HCV HAP reserves	\$ 2,471
USDA sinking fund reserve replacement (cash)	1,745,892
HCV family self sufficiency escrows	59,075
Tenant security deposits	207,567
Unused insurance proceeds	78,687
	<u>\$ 2,093,692</u>

Custodial Credit Risk: Exposure to custodial credit related to deposits exists when the Authority holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Authority's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the Authority holds investment that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Authority's name.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 2: Deposits and Investments: (Continued)

C. Deposit and Investment Risks (Continued)

The Authority's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities obligation of federal agencies, securities of government -sponsored agencies, and other instruments which may be approved by the U.S. Department of HUD. As required by Federal 12 U.S. C.A., Section 1823(e), all financial institutions pledging collateral to the Authority must have a written collateral agreement approved by the board of directors or loan committee. At September 30, 2018, the Authority was not exposed to custodial credit as defined above.

Investment Credit Risk: The Authority's investment policy limits investments to those allowed by the U.S. Department of HUD. These investment limitations are described in Note 1. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations - rating agencies - as of the year end. Unless there is information to the contrary, obligations of the U. S. government or obligations explicitly guaranteed by the U. S. government are not considered to have credit risk and do not require disclosure of credit quality. There are no investments (except for certificates of deposit which are insured by the FDIC) as of September 30, 2018.

Concentration of Investment Credit Risk: Exposure to concentration of credit risk is considered to exist when investments in anyone issuer represent a significant percent of total investments of the Authority. Investments issued or explicitly guaranteed by HUD-approved instruments are excluded from this consideration. At September 30, 2018, the Authority had no concentration of credit risk as defined above.

NOTE 3: Receivables

Tenant Receivables

Dwelling rents (net of allowance for doubtful accounts of \$25,742)	\$ 62,482
Fraud receivables (net of allowance for doubtful accounts of \$504)	<u>9,574</u>
	<u>\$ 72,056</u>

Due from Other Governments

Rural Rental Assistance (September 30, 2018 allocation)	\$ 50,807
Receivable from TBRA Project Deliverables	19,519
Due from other Housing Authorities	<u>36,544</u>
	<u>\$106,870</u>

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 4: Interprogram Receivables and Payables

	USDA	Business Activities	HCV	ROSS	COCC	Total
A/R - USDA	\$ -	\$ 1,641,977	\$ -	\$ -	\$ -	\$1,641,977
A/P - Business Activities	(1,641,977)	-	954	-	161,935	(1,479,088)
A/R - HCV	-	(954)	-	-	-	(954)
A/R - ROSS	-	-	-	-	-	-
A/P - COCC	-	(161,935)	-	-	-	(161,935)
	<u>\$(1,641,977)</u>	<u>\$ 1,479,088</u>	<u>\$ 954</u>	<u>\$ -</u>	<u>\$ 161,935</u>	<u>\$ -</u>
Intercompany Receivable	\$ 1,643,769	\$ 228,367	\$ -	\$ -	\$ 62,924	\$1,935,060
Intercompany Payable	(1,792)	(1,707,455)	(954)	-	(224,859)	(1,935,060)
	<u>\$ 1,641,977</u>	<u>\$(1,479,088)</u>	<u>\$ (954)</u>	<u>\$ -</u>	<u>\$(161,935)</u>	<u>\$ -</u>

All interprogram receivables and payables have been eliminated on the financial statements.

NOTE 5: Prepaid Expense

Prepaid insurance at September 30, 2018 was \$173,744.

NOTE 6: Capital Assets

The capital assets (at cost) of the Collier County Housing Authority at September 30, 2018 consisted of the following:

	Balance at Sept. 30, 2017	Additions	Deletions	Transfers	Balance at Sept. 30, 2018
Nondepreciable capital assets:					
Land	\$ 2,568,712	\$ 1	\$ -	\$ -	\$ 2,568,713
Construction in progress	8,492,754	3,245,714	-	(11,409,063)	329,405
	<u>11,061,466</u>	<u>3,245,715</u>	<u>-</u>	<u>(11,409,063)</u>	<u>2,898,118</u>
Depreciable capital assets:					
Buildings and improvements	30,029,607	32,500	-	11,409,063	41,471,170
Furniture, equipment, vehicles	2,250,657	33,966	-	-	2,284,623
	<u>32,280,264</u>	<u>66,466</u>	<u>-</u>	<u>11,409,063</u>	<u>43,755,793</u>
Accumulated Depreciation:					
Buildings and improvements	(25,841,868)	(803,515)	-	-	(26,645,383)
Furniture, equipment, vehicles	(2,013,162)	(33,356)	-	-	(2,046,518)
	<u>(27,855,030)</u>	<u>(836,871)</u>	<u>-</u>	<u>-</u>	<u>(28,691,901)</u>
Total Capital Assets, net	<u>\$ 15,486,700</u>	<u>\$ 2,475,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,962,010</u>

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 7: Notes Payable:

- A. The outstanding balance of Line of Credit Notes in the Business Activities (Horizon Village) at September 30, 2018 was \$239,961.

Interest and principal shall be paid as follows:

- a. Annual principal payments of \$20,000 each plus accrued interest shall be payable in arrears on the 15th day of November 2005, and on the 15th day in the month of November in each subsequent year of the loan term;
- b. If the due date for any payment hereunder would fall on a day that is not a business day (i.e., a day that is a Saturday, Sunday or banking holiday), then the payment shall instead be due on the next succeeding business day; and
- c. Interest shall cease to accrue on any amount of principal paid in advance of its due date.

Interest Rate - The unpaid principal balance of the Note shall bear interest, while current, at the Applicable Interest Rate. As used in this Note, the term "Applicable Interest Rate" means:

- Since the interest paid in connection with this Loan is exempt from income taxation by the United States of America and by the State of Florida, the Applicable Interest Rate shall be an annual rate of interest equal to one percent (1 %) less than the "highest prime rate" of interest published in the Wall Street Journal, but not less than three percent (3%) per annum.

The outstanding balance of Notes Payable at September 30, 2018 was \$239,961. The notes are payable each year in the amounts listed below:

September 30,	Principal	Interest	Total
2019	\$ 20,000	\$ 7,199	\$ 27,199
2020	20,000	6,599	26,599
2021	20,000	5,999	25,999
2022	20,000	5,399	25,399
2023	20,000	4,799	24,799
2024-2028	100,000	14,994	114,994
2029-2030	39,961	1,798	41,759
	<u>\$ 239,961</u>	<u>\$ 46,787</u>	<u>\$ 286,748</u>

Interest expense for the year ended September 30, 2018 was \$8,487. There was no capitalized interest expense for the year ended September 30, 2018.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 7: Notes Payable: (Continued)

- B.** Promissory note to bank in the amount of \$219,150 (dated September 29, 2015) 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. Unsecured. The outstanding balance of the notes payable at September 30, 2018 was \$131,841. The notes is payable each year in the amounts listed below:

September 30,	Principal	Interest	Total
2019	\$ 31,299	\$ 4,106	\$ 35,405
2020	32,413	2,992	35,405
2021	33,565	1,839	35,404
2022	34,564	646	35,210
	<u>\$ 131,841</u>	<u>\$ 9,583</u>	<u>\$ 141,424</u>

- C.** Promissory note to bank in the amount of \$171,919 (dated August 14, 2018) 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. Unsecured. The outstanding balance of the notes payable at September 30, 2018 was \$169,571. The notes is payable each year in the amounts listed below:

September 30,	Principal	Interest	Total
2019	\$ 31,273	\$ 7,681	\$ 38,954
2020	32,856	6,098	38,954
2021	34,520	4,434	38,954
2022	36,268	2,686	38,954
2023	34,654	849	35,503
	<u>\$ 169,571</u>	<u>\$ 21,748</u>	<u>\$ 191,319</u>

NOTE 8: Bonds Payable:

Revenue Bonds Payable: Capital facilities are financed by debt which is guaranteed and subsidized by U. S. Department of Agriculture, Rural Housing Services (RHS). The Authority presently has bonds payable on its farm laborer housing projects which are due annually in installments of varying principal and interest amounts. Revenue bonds payable at September 30, 2018 are as follows:

Collier County Housing Authority Revenue Bonds, Series D, 1%, due annually on September 1 in principal amounts of \$24,380 to \$33,000 with interest to September 1, 2023	\$ 160,000
Collier County Housing Authority Revenue Bonds, Series E, 1%, due annually on September 1 in principal amounts \$27,000 to \$36,000 with interest to September 1, 2031	442,000
Collier County Housing Authority Revenue Bonds, Series F, 1%, due annually on September 1 in principal amounts of \$39,072 to \$52,000 with interest to September 1, 2032	692,000

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 8: Bonds Payable: (Continued)

Collier County Housing Authority Revenue Bonds, Series G (2015), 1%, due annually on September 1 in principal amounts of \$111,000 to \$149,000 with interest to September 1, 2048

4,000,000

Total bonds payable

\$5,294,000

The revenues of the project are pledged to the payment of principal and interest on the revenue bonds. The bonds are redeemable before maturity, at the option of the Authority, in inverse numerical and maturity order, on any interest payment date upon giving 40 days written notice to Rural Housing Services. Maturities of long-term debt for each of the five succeeding years and in the aggregate are as follows at September 30, 2018:

	Bond Principal			2015	
	Series D	Series E	Series F	Series G	Total
2019	\$ 31,000	32,000	\$ 46,000	\$ 223,000	\$ 332,000
2020	32,000	32,000	47,000	113,000	224,000
2021	32,000	33,000	47,000	114,000	226,000
2022	32,000	33,000	48,000	115,000	228,000
2023	33,000	33,000	48,000	116,000	230,000
2024-2028	0	172,000	249,000	600,000	1,021,000
2029-2033	0	107,000	207,000	630,000	944,000
2034-2038	0	0	0	662,000	662,000
2039-2043	0	0	0	696,000	696,000
2044-2048	0	0	0	731,000	731,000
	<u>\$ 160,000</u>	<u>\$ 442,000</u>	<u>\$ 692,000</u>	<u>\$ 4,000,000</u>	<u>\$ 5,294,000</u>

	Bond interest			2015	
	Series D	Series E	Series F	Series G	Total
2019	\$ 1,600	\$ 4,420	\$ 6,920	\$ 38,890	\$ 51,830
2020	1,290	4,100	6,460	37,770	49,620
2021	970	3,780	5,990	36,640	47,380
2022	650	3,450	5,520	35,500	45,120
2023	330	3,120	5,040	34,350	42,840
2024-2028	0	10,540	17,870	33,190	61,600
2029-2033	0	2,150	5,190	27,190	34,530
2034-2038	0	0	0	20,890	20,890
2039-2043	0	0	0	14,270	14,270
2044-2048	0	0	0	7,310	7,310
	<u>\$ 4,840</u>	<u>\$ 31,560</u>	<u>\$ 52,990</u>	<u>\$ 286,000</u>	<u>\$ 375,390</u>

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 8: Bonds Payable: (Continued)

Sinking Fund Debt Service Account: Under the terms of the revenue bonds, a sinking fund has been established to provide debt service funding. After operation and maintenance requirements are met, the Authority transfers to the sinking fund debt service account such amounts as may be due of interest and principal on the bonds. The amount required to be transferred during the year ended September 30, 2018 in order to meet debt service requirements was \$264,940 which was accomplished. The cash balance in the sinking fund debt service account at September 30, 2018 was \$191,258.

Sinking Fund Reserve Account: Immediately after each transfer to the sinking fund debt service account, any excess funds are deposited in the sinking fund reserve account. Funds in the reserve account are only withdrawn upon written prior approval of Rural Housing Services:

The Authority is required to make monthly reserve deposits in the amount of \$41,667 (effective November 2016) plus the amount of any deficiency in prior deposits to the reserve account until funds and investments in the reserve account shall equal \$10,000,000 (effective with the new Series G bond issue). There were \$515,916 deposits made into the account during the year. The aggregate deposits to the reserve account and interest earned for the year ended September 30, 2018 were \$1,759,072 (after the approved usage of funds for capital improvements as noted below) which was under the required annual aggregate deposits.

Withdrawals from the sinking fund reserve account are authorized for the following purposes:

- a. To meet principal and interest payments due on the bonds in the event the sinking fund debt service account balance is not sufficient for that purpose.
- b. To pay costs of extraordinary repairs or replacements to the project which is not considered current expenses.
- c. To make improvements or extensions to the project.
- d. For other purposes desired by the Authority which will promote its purpose without jeopardizing the collectability of the bonds or underlying security.
- e. To the extent the reserve account exceeds \$10,000,000 (effective with the new Series G bond issue), to purchase bonds before maturity in the prescribed manner.

Supplemental Information: (Schedule of Funding Reserve)

a. Investment Reserve Funds

Sinking Fund Debt Service Account (Principal and Interest)

Beginning balance	\$ 49,348
Transfers to Debt Service Account including interest earned	264,940
Withdrawals for payment of principal and interest	<u>(123,030)</u>
Ending balance	<u>\$ 191,258</u>

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 8: Bonds Payable: (Continued)

Supplemental Information: (Schedule of Funding Reserve) (Continued)

a. Investment Reserve Funds (Continued)

Sinking Fund Reserve Replacement Account

Beginning balance - less transfers to replacements and operations	\$ 2,754,056
Transfers to reserves including interest earned – net	515,916
Use of reserves for capital improvements	<u>(1,510,900)</u>
Ending balance	<u>\$ 1,759,072</u>

Total Investment Reserve Fund	\$ 1,759,072
Fully Funded Balance per Loan Agreement	<u>10,000,000</u>

Excess/(Deficiency) of Reserves on Hand	<u>\$(8,240,928)</u>
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As noted above the Authority was required to increase its monthly reserve funding to \$41,667 (effective November 2016) for the new fund balance requirement effective with the new Series G bond issue.

- b. **Compliance with Bond Indentures Requirements:** The Collier County Housing Authority, Farm Worker Village, has met and exceeded the bond indenture and reserve requirements outlined in this report (except as noted above that it has not yet reached its fully funded balance with the new Series G bond issue), as reported in this note, when considering approved withdrawals from Rural Development for long-term improvements. All interest earnings on invested funds are deposited monthly by the Bank directly into the Housing Authority's cash account and transferred to the reserve account.

Construction Fund The construction fund is used to account for grant and loan funds received from Rural Housing Services and other sources and to record construction activities. During the year ended September 30, 2018, expenditures from the Construction Fund were used for authorized construction activity.

In the Rural Housing Services enterprise fund, reservations of unrestricted net position have been established in conjunction with debt issuance requirements or policy directives as stipulated by the respective aforementioned funds.

NOTE 9: State Housing Initiatives Partnership Business Activities (Horizon Village) Loan:

The outstanding balance of the SHIP Loan Payable at September 30, 2018 was \$67,056. The loan is payable each year in the amounts and at the interest (at 0% interest) listed below:

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 9: State Housing Initiatives Partnership Business Activities (Horizon Village) Loan: (Continued)

September 30,	Principal	Interest	Total
2019	\$ 13,412	\$ 0	\$ 13,412
2020	13,412	0	13,412
2021	13,412	0	13,412
2022	13,412	0	13,412
2023	13,408	0	13,408
	<u>\$ 67,056</u>	<u>\$ 0</u>	<u>\$ 67,056</u>

Interest expense for the year ended September 30, 2018 was \$0. There was no capitalized interest expense for the year ended September 30, 2018.

Interest: Interest on this Note shall be zero percent (0%) per annum; except that if the Authority fails to pay this Note as required, the interest rate shall be twelve percent (12%) per annum from the date when payment of this Note is due until the Authority pays it in full. The Authority did not fail to pay the principal payment for FY 2018 and is therefore not required to pay future payments at 12% interest as of FY2018.

Payments: Principal payments shall be deferred for a period of three years from date disbursed with seventeen equal yearly payments of \$13,412 due beginning on September 1, 2007 and continuing for seventeen years thereafter until payment in full of \$228,000 is received on August 1, 2024. The Authority's total payment shall be \$228,000.

NOTE 10: Schedule of Changes in Noncurrent Liabilities:

	September 30, 2017				September 30, 2018	
	Long-Term Portion	Current Portion	Additions	Payments	Long-Term Portion	Current Portion
Compensated Absences	\$ 46,472	\$ 5,164	\$ 20,197	\$ -	\$ 64,650	\$ 7,183
Other Liabilities (FSS Escrow)	35,952	-	23,123	-	59,075	-
Notes Payable	438,836	230,489	5,000	(65,897)	512,444	95,984
Bonds Payable	5,183,000	220,000	-	(109,000)	4,962,000	332,000
	<u>\$ 5,704,260</u>	<u>\$ 455,653</u>	<u>\$ 48,320</u>	<u>\$ (174,897)</u>	<u>\$ 5,598,169</u>	<u>\$ 435,167</u>

NOTE 11: Schedule of Changes in Net Position:

	Net Investment In Capital Assets	Restricted Net Position	Unrestricted Net Position	Total
Balance, beginning of year	10,083,700	2,805,534	(225,710)	12,663,524
Immaterial prior period adjustment			(4,442)	(4,442)
Balance, beginning of year (restated)	10,083,700	2,805,534	(230,152)	12,659,082
Changes in net position	-	-	2,476,366	2,476,366
Changes in net investment in capital assets	2,584,310	-	(2,584,310)	-
Changes in restricted net position	-	(774,046)	774,046	-
Balance, end of year	<u>\$ 12,668,010</u>	<u>\$ 2,031,488</u>	<u>\$ 435,950</u>	<u>\$ 15,135,448</u>

COLLIER COUNTY HOUSING AUTHORITY
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Notes to Financial Statements

September 30, 2018

NOTE 12: Pension Plan:

Effective October 1, 2016, the Authority adopted the Housing Agency Retirement Trust (the "Plan"), which is a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All of the Authority's full time regular employees are eligible to participate in the plan after completing one year of continuous service. Under the Plan, the Authority matches the employee pre-tax deferral contributions up to 4%. All participating employees vest in the Employer contributions at the rate of fifty percent (50%) for each full year of continuous employment with the Authority.

NOTE 13: Annual Contributions from HUD:

Annual Contributions Contract A-3402 – Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-existing and moderately rehabilitated housing covering the difference between the maximum rentals on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. The Authority is also eligible to receive reimbursement for preliminary expenses prior to lease up. HUD contributions for the Section 8 Housing Choice Voucher program for the year ended September 30, 2018 were \$3,667,435.

NOTE 14: Economic Dependency

The Authority receives approximately 64% of its revenues from the U.S. Department of Agriculture and the U.S. Department of Housing and Urban Development (HUD). If the amount of revenues received from these federal agencies falls below critical levels, the Authority's reserves could be adversely affected.

NOTE 15: Contingencies

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended September 30, 2018.

However, 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 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
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Notes to Financial Statements

September 30, 2018

NOTE 15: Contingencies (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 (\$1,178,272 from Section A/B and \$583,019 from Horizon Village). 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 all outstanding loans, mortgages and grants.

The amount due to the Rural Rental Assistance Program from business activities as of September 30, 2018 is \$1,641,977. These interprogram receivables and payables have been eliminated on the financial statements.

Litigation

As of September 30, 2018, the Authority was involved with various litigations arising from operation of its rural development housing program. In the opinion of the Authority's legal counsel such losses, if any, resulting from litigation would be adequately covered by insurance.

NOTE 16: Related Party Transactions

There were no related party transactions for the year ended September 30, 2018.

NOTE 17: Leasing Activities (as Lessor):

The Authority is the lessor of dwelling units mainly 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 and Rural Development. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the basic financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

NOTE 18: Operating Leases:

The Authority is committed under a continuing non-cancelable lease for office space. This lease has been accounted for as operating leases in the accompanying basic financial statements. The office lease is not subject to an annual escalation clause. Future minimum lease payments required under these leases are as follows:

Future minimum lease payments required under these leases are as follows:

September 30,
2018-2019

Office Space
\$ 34,382

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Notes to Financial Statements

September 30, 2018

NOTE 19: Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements.

The following subsequent events occurred after the 2018 fiscal year end.

In September 2017, the Authority was affected by Hurricane Irma which caused significant roofing damage (shingles) to the Authority owned property (including housing units). However, the affected properties and units were still livable and did not cause tenants to look for alternative housing as most of the damage can easily be repaired. In January 2019, the Authority received \$1,266,369 as an insurance settlement for damages incurred as a result of the hurricane damage.

Subsequent to year end, the Authority received a \$600,000 SHIP loan from Collier County and the proceeds were used to purchase two rental properties in the amounts of \$313,500 and \$324,000. The SHIP loan carries an interest rate of 0% and is forgivable after a 15 year term. However, if the properties are sold, refinanced, no longer serve the intended purpose, or title transfers, the loan will have to be re-paid in full. The loan is also subject to certain restrictions for use of the properties purchased.

Collier County Housing Authority
Immokalee, Florida

Combining Schedule of Assets, Liabilities and Net Position

September 30, 2018

	Rural Rental Assistance	HOME	Farm Labor Housing Grants	HCV	ROSS	Blended Comp Unit	Business Activities	COCC	Subtotal	Eliminations	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES											
Current Assets:											
Cash and cash equivalents	\$ 203,742	\$ 41,906	\$ -	\$ 166,819	\$ -	\$ 31,169	\$ 188,731	\$ 364,206	\$ 996,573	\$ -	\$ 996,573
Cash and cash equivalents - restricted	1,927,434	-	-	61,546	-	-	104,712	-	2,093,692	-	2,093,692
Investments	-	-	-	-	-	-	-	-	-	-	-
Investments - restricted	204,437	-	-	-	-	-	-	-	204,437	-	204,437
Tenants receivable, net of allowance for doubtful accounts	39,082	-	-	9,574	-	-	23,400	-	72,056	-	72,056
Accounts receivable - government	50,807	19,519	-	36,544	-	-	-	-	106,870	-	106,870
Accounts receivable - other	94	-	-	-	-	-	-	5,543	5,637	-	5,637
Accrued interest receivable	1,024	-	-	-	-	-	-	-	1,024	-	1,024
Due from/to other programs	1,643,769	-	-	-	-	-	228,367	62,924	1,935,060	(1,935,060)	-
Prepaid expenses	90,424	-	-	3,788	-	-	75,657	3,875	173,744	-	173,744
Supplies inventory, net of allowance for obsolescence	24,499	-	-	-	-	-	40,534	-	65,033	-	65,033
Total current assets	4,185,312	61,425	-	278,271	-	31,169	661,401	436,548	5,654,126	(1,935,060)	3,719,066
Noncurrent Assets:											
Capital Assets											
Nondepreciable capital assets	1,413,339	-	-	-	-	-	1,155,374	-	2,568,713	-	2,568,713
Depreciable capital assets, net	12,831,879	-	-	21,549	-	-	2,187,629	22,835	15,063,892	-	15,063,892
Construction in progress	-	-	-	-	-	-	329,405	-	329,405	-	329,405
Total capital assets	14,245,218	-	-	21,549	-	-	3,672,408	22,835	17,962,010	-	17,962,010
Other noncurrent assets	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	14,245,218	-	-	21,549	-	-	3,672,408	22,835	17,962,010	-	17,962,010
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 18,430,530	\$ 61,425	\$ -	\$ 299,820	\$ -	\$ 31,169	\$ 4,333,809	\$ 459,383	\$ 23,616,136	\$ (1,935,060)	\$ 21,681,076
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION											
Current Liabilities:											
Accounts payable and accrued liabilities	\$ 24,403	\$ 366	\$ -	\$ 6,519	\$ -	\$ 697	\$ 36,836	\$ 21,231	\$ 90,052	\$ -	\$ 90,052
Tenant security deposits	100,997	-	-	-	-	-	104,712	-	205,709	-	205,709
Accrued compensated absences	2,004	-	-	724	-	-	1,935	2,520	7,183	-	7,183
Accrued interest payable	43,051	-	-	-	-	-	4,200	-	47,251	-	47,251
Unearned revenue	58,807	-	-	-	-	-	78,738	31,735	169,280	-	169,280
Due to/from other programs	1,792	-	-	954	-	-	1,707,455	224,859	1,935,060	(1,935,060)	-
Current maturities of notes payable	-	-	-	-	-	-	95,984	-	95,984	-	95,984
Current maturities of bonds payable	332,000	-	-	-	-	-	-	-	332,000	-	332,000
Total current liabilities	563,054	366	-	8,197	-	697	2,029,860	280,345	2,882,519	(1,935,060)	947,459
Noncurrent Liabilities:											
Accrued compensated absences	18,036	-	-	6,519	-	-	17,415	22,680	64,650	-	64,650
Other liabilities (FSS escrow)	-	-	-	59,075	-	-	-	-	59,075	-	59,075
Notes payable	-	-	-	-	-	-	512,444	-	512,444	-	512,444
Bonds payable	4,962,000	-	-	-	-	-	-	-	4,962,000	-	4,962,000
Total noncurrent liabilities	4,980,036	-	-	65,594	-	-	529,859	22,680	5,598,169	-	5,598,169
Total liabilities	5,543,090	366	-	73,791	-	697	2,559,719	303,025	8,480,688	(1,935,060)	6,545,628
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-
Net Position:											
Net investment in capital assets	8,951,218	-	-	21,549	-	-	3,672,408	22,835	12,668,010	-	12,668,010
Restricted net position	2,029,017	-	-	2,471	-	-	-	-	2,031,488	-	2,031,488
Unrestricted net position	1,907,205	61,059	-	202,009	-	30,472	(1,898,318)	133,523	435,950	-	435,950
Total net position	12,887,440	61,059	-	226,029	-	30,472	1,774,090	156,358	15,135,448	-	15,135,448
Total liabilities, deferred inflows of resources, and net position	\$ 18,430,530	\$ 61,425	\$ -	\$ 299,820	\$ -	\$ 31,169	\$ 4,333,809	\$ 459,383	\$ 23,616,136	\$ (1,935,060)	\$ 21,681,076

See auditor's report.

The notes to the financial statements are an integral part of this statement.

Collier County Housing Authority
Immokalee, Florida

Combining Schedule of Revenues, Expenses and Changes in Fund
Net Position - Proprietary Fund Type

For the Year Ended September 30, 2018

	Rural Rental Assistance	HOME	Farm Labor Housing Grants	HCV	ROSS	Blended Comp Unit	Business Activities	COCC	Subtotal	Elimi- nations	Total
Operating revenues:											
Tenant rental revenue (net)	\$ 909,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,698,355	\$ -	\$ 2,608,161	\$ -	\$ 2,608,161
HUD operating grants	-	-	-	3,667,435	6,506	-	-	-	3,673,941	-	3,673,941
Other government grants	641,299	59,492	1,961,670	-	-	-	-	-	2,662,461	-	2,662,461
Management and bookkeeping fees	-	-	-	-	-	-	-	390,593	390,593	(390,593)	-
Other revenue	166,211	-	-	318,362	-	-	318,640	129,755	932,968	-	932,968
Total operating revenues	1,717,316	59,492	1,961,670	3,985,797	6,506	-	2,016,995	520,348	10,268,124	(390,593)	9,877,531
Operating expenses:											
Administration	384,871	19,729	-	309,175	-	440	425,330	393,233	1,532,778	(390,593)	1,142,185
Tenant services	-	-	-	-	6,506	-	679	-	7,185	-	7,185
Utilities	21,746	-	-	1,925	-	-	85,802	34,615	144,088	-	144,088
Ordinary maintenance	521,807	-	-	6,069	-	-	566,438	12,002	1,106,316	-	1,106,316
Protective services	2,512	-	-	2,050	-	-	18,970	787	24,319	-	24,319
General expenses	177,761	-	-	20,089	-	-	205,302	13,070	416,222	-	416,222
Casualty losses	-	-	-	-	-	-	-	-	-	-	-
Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-
Housing assistance payments	-	37,537	-	3,630,601	-	-	-	-	3,668,138	-	3,668,138
Depreciation	534,173	-	-	2,404	-	-	296,888	3,406	836,871	-	836,871
Total operating expenses	1,642,870	57,266	-	3,972,313	6,506	440	1,599,409	457,113	7,735,917	(390,593)	7,345,324
Operating income (loss)	74,446	2,226	1,961,670	13,484	-	(440)	417,586	63,235	2,532,207	-	2,532,207
Nonoperating revenue and expense:											
Interest expense	(52,677)	-	-	-	-	-	(17,288)	-	(69,965)	-	(69,965)
Interest income	14,072	-	-	52	-	-	-	-	14,124	-	14,124
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Net nonoperating expense	(38,605)	-	-	52	-	-	(17,288)	-	(55,841)	-	(55,841)
Net income (loss)	35,841	2,226	1,961,670	13,536	-	(440)	400,298	63,235	2,476,366	-	2,476,366
Contributions - capital grants	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in net position	35,841	2,226	1,961,670	13,536	-	(440)	400,298	63,235	2,476,366	-	2,476,366
Equity transfers within programs	1,961,670	-	(1,961,670)	(6,827)	6,827	-	-	-	-	-	-
Prior period adjustment -	-	(4,345)	-	-	-	(97)	-	-	(4,442)	-	(4,442)
Net position, beginning of year	10,889,929	63,178	-	219,320	(6,827)	31,009	1,373,792	93,123	12,663,524	-	12,663,524
Net position, end of year	\$ 12,887,440	\$ 61,059	\$ -	\$ 226,029	\$ -	\$ 30,472	\$ 1,774,090	\$ 156,358	\$ 15,135,448	\$ -	\$ 15,135,448

See auditor's report.

The notes to the financial statements are an integral part of this statement.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Farm Worker Subsidized Housing Program

Supplemental Information
September 30, 2018

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

1. Schedule of Insurance Coverages

At September 30, 2018, the Authority had the following insurance coverage in effect:

Insurance Carrier	Type of Coverage	Amount of Coverage	Term
Hartford Insurance Company	Fidelity bond/Employee Dishonesty		
	\$100,000 Deductible	\$2,000,000	05/01/18-05/01/19
Opticom Insurance	Workers' Compensation	Statutory	10/01/17-10/01/18
Florida PH Authority Insurance	Automobile liability	\$1,000,000	05/01/18-05/01/19
Florida PH Authority Insurance	Property, Office Building & Personal Property, Fire & Extended Coverage (90% coinsurance)	\$44,169,134	05/01/18-05/01/19
Florida PH Authority Insurance	General Liability Personal Injury, products, advertising, property damage	\$1,000,000 Occ \$2,000,000 Agg	05/01/18-05/01/19 05/01/18-05/01/19
US Liability Insurance	Directors & Officers Liability	\$1,000,000	05/01/18-05/01/19
FPHASIF	Directors & Officers Liability	\$1,000,000	05/22/18-05/22/19
Fidelity & Deposit Company	Employee dishonesty	\$103,000	05/01/18-05/01/19
ITT Hartford Insurance Company	Employee dishonesty (ERISA Bond)	\$100,000	05/01/18-05/01/19
Beazley	Cyber Liability	\$1,000,000	05/01/18-05/01/19

2. **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.
3. **Reserves** - The Housing Authority has maintained adequate reserves for operations and Bond debt service at September 30, 2018. See also notes to basic financial statements.
4. **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.
5. **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.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Farm Worker Subsidized Housing Program

Supplemental Information
September 30, 2018

6. **Deposit Funds** - We noted that deposit funds are adequately insured by the FDIC and properly collateralized and are at or exceed the required reserve levels required under the Loan and Grant Agreement as of September 30, 2018.
7. **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 26, 2019.

We have also issued a report dated February 26, 2019, 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, 2018. 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.

8. **Other Findings or Recommendations for the Period Ended September 30, 2018** – See the schedule of findings and questioned cost as well as the management letter dated February 26, 2019 for any findings and management comments.
9. **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).
10. **Accounts Receivable-Tenants** - Tenants accounts receivable at September 30, 2018 totaling \$49,843 were accounts aged at ninety days (90) or less.
11. **Accounts Payable** consists of \$24,342 at September 30, 2018. This balance which is payable to recurring vendors is for services or purchases of ninety days (90) or less.
12. **Management Fees** - The Collier County Housing Authority is the owner of the Farm Worker Subsidized Housing Program. Management fees of \$137,650 were charged by the COCC.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Farm Worker Subsidized Housing Program

Supplemental Information
September 30, 2018

13. Schedule of Financial Institutions Where the Housing Authority Maintains its Bank Accounts

<u>Name of Financial Institution</u>	<u>Account Name</u>	<u>Bank Balance</u>	<u>Reconciled Balance (considers deposits in-transit and outstanding checks)</u>	<u>Classification</u>
First 1 Bank	USDA Reserve Account	\$1,554,636	\$1,554,636	USDA Restricted
316 North 15th Street STE #1	COCC Account	285,724	261,145	
Immokalee, FL 34142	COCC Payroll Account	22,987	22,987	
	COCC Insurance Reserve	9,279	10,179	
	COCC Escrow Account	31,735	31,735	
	CCHA Land, Inc.	31,169	31,169	
	AB Revenue Account	75,922	50,559	
	AB Security Deposit Fund	108,246	104,127	
	Section A&B Insurance Reserve	52,114	63,114	
	Horizon Village Operating	68,900	66,095	
	Horizon Village Insurance Reserve	7,948	9,548	
		<u>2,248,660</u>	<u>2,205,294</u>	
First Florida Integrity Bank	Security Deposit Fund USDA	104,608	102,855	
5078 Pope John Paul II STE 100	Certificates of Deposit (2)	204,437	204,437	USDA Restricted
Ave Maria, Florida 34142	Bond & Sinking Fund	191,258	191,258	USDA Restricted
	Revenue Account USDA	122,927	123,421	
	TBRA HOME Operating	61,425	61,425	
	Section 8-Admin Funds	121,564	119,469	
	Section 8- HAP	88,602	62,739	
	Construction Account	100	100	
	Family Self Sufficiency	34,436	34,436	
	O & M Operating	61,861	51,564	
	COCC Laundry	38,998	37,243	
	COCC Residential Portal	1,813	1,813	
	USDA Insurance Reserves	85,729	85,729	
	Section 8 Admin Insurance Reserves	12,363	12,363	
		<u>1,130,121</u>	<u>1,088,852</u>	
	Petty Cash & Misc	<u>-</u>	<u>556</u>	
		<u>\$ 3,378,781</u>	<u>\$ 3,294,702</u>	

The above amounts were confirmed with the institutions listed at September 30, 2018.

14. **Schedule and Computation of Current Return to Owners Allowed** - Not applicable, because the Authority is a legal public Authority and not a private enterprise.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Farm Worker Subsidized Housing Program

Supplemental Information
September 30, 2018

15. **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>
Rebecca M. Vaccariello	November 7, 2017	Naples, Florida
David B. Genson	November 7, 2018	Naples, Florida
Randolph B. Cash	October 17, 2018	Naples, Florida
Arthur J. Roth IV	October 27, 2019	Ave Maria, Florida

16. **Schedule of Rental Information**

<u>Unit Size</u>	<u>Number of Units</u>	<u>Rental Rate</u>	<u>Months</u>	<u>Gross Potential Rent</u>
One bedroom unit	33	\$ 475	12	\$ 188,100
Two bedroom unit	111	530	12	705,960
Three bedroom unit	102	577	12	706,248
Four bedroom unit	69	599	12	495,972
	<u>315</u>			<u>\$ 2,096,280</u>

The Authority finished the process to demolish/convert 50 units and rehabilitate the remaining 315 units. The rehabilitation project ended in mid-2018.

<u>Actual Rental Revenue</u>	<u>Percentage</u>	<u>Amount</u>
Tenants	59.41%	\$ 894,673
RHA rental assistance subsidy	40.59%	<u>611,299</u>
		<u>\$1,505,972</u>

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

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



February 26, 2019

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

In accordance with the criteria specified in Section 5; Paragraph 4.32 C. of the USDA Rural Development Handbook (HB-2-3560) for the year ended September 30, 2018, 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 and Insurance Account	X Reserve Account
X Other Accounts: <u>Debt Service</u>	
2. The payments from operating account(s) 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. has no encumbrances on the reserve funds.
4. The tenant security deposits accounts are fully funded and are maintained in separate accounts.
5. The payment of owner return was: Not Applicable (owner is a government entity)

<u>N/A</u>	paid in the amount of \$-0- for the 2018 fiscal year and was in accordance with the Agency's requirements OR
<u>N/A</u>	not paid during the reporting year OR
<u>N/A</u>	not allowable due to our nonprofit status OR
<u>N/A</u>	not allowable due to our nonprofit status. An asset management fee in the amount of \$-0 was paid for 2018 fiscal year.

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

☒ Liability Insurance
☒ Property Insurance
☒ Fidelity Bond

Flood Insurance Earthquake Insurance
☒ 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,
Executive Director
Collier County Housing Authority



**Barton,
Gonzalez
& Myers, P.A.**
Certified Public Accountants

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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 Standard* issued by the Comptroller General of the United States, the financial statements of the Collier County Housing Authority (the "Authority"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 26, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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*.

We noted certain matters that we reported to management of the Authority in a separate letter dated February 26, 2019.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Barton, Gonzalez & Myers, P.A.".

Barton, Gonzalez & Myers, P.A.
Certified Public Accountants
February 26, 2019



**Barton,
Gonzalez
& Myers, P.A.**
Certified Public Accountants

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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 the 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 each of the Authority's major federal programs for the year ended September 30, 2018. 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.

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.

Opinion on Each Major Federal Program

In our opinion, the Collier County Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

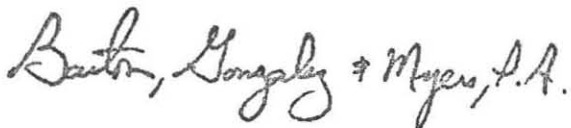
Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on 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 each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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



Barton, Gonzalez & Myers, P.A.
Certified Public Accountants
February 26, 2019

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Schedule of Findings and Questioned Costs

September 30, 2018

Section I - Summary of Auditor's Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major program:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of reports issued on the compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Identification of major program:	10.405 Farm Labor Housing Loans and Grants
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Did the Authority qualify as a low-risk auditee?	No

Section II - Financial Statement Findings:

There were no findings relating to this area for the year ended September 30, 2018.

Section III - Federal Awards:

There were no findings relating to this area for the year ended September 30, 2018.

COLLIER COUNTY HOUSING AUTHORITY
Immokalee, Florida

Summary Schedule of Prior Year Findings

September 30, 2018

The prior audit report for the year ended September 30, 2017 contained the following findings.

2017-001 Inadequate Controls Over Financial Reporting Due to Not Recording Contract Retainage
Significant Deficiency in Internal Control

Condition: The Authority did not have adequate controls over the period-end financial reporting process to detect significant misstatements. The Authority did not properly record entries related to construction in progress and accrued liabilities.

Recommendation: The Authority should establish controls to ensure that appropriate year-end adjustments are recorded so that the financial statements are properly adjusted, including retainage on construction contracts.

Status: The finding has been corrected.

2017-002 HCV Tenant Files

Program: U.S. Department of HUD: Section 8 – Housing Choice Voucher (CFDA 14.871)

Significant Deficiency in Internal Control

Other matter required to be reported in accordance with the Uniform Guidance

Repeat of Prior year Finding 2016-002 (and 2015-003 from September 30, 2015)

Statement of Condition: The Authority did not have adequate controls over tenant files to assure it is maintaining adequate documentation. We noted the following exceptions in 25 files tested:

- 3 files where an incorrect utility allowance amount was used. As a result, the monthly HAP rent was impacted by \$24 and \$15 per month (for two files) and \$0 for the third file.
- 1 tenant file where the income was not calculated correctly resulting in \$1 per month impact to the HAP rent.
- 1 file where there was no evidence of the rent reasonableness being considered (the form was missing from the file).

Recommendation: The Authority should establish controls and should improve review procedures and increase training to employees and reviewers to ensure that the Authority is in compliance with HUD rules for verification of tenant information and calculation of tenant portion of the rent.

Status: The finding has been corrected.

Collier County Housing Authority
Immokalee, Florida

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2018

FEDERAL GRANTOR		Federal CFDA Number	Program or Award Amount	Disbursements or Expenditures
U. S. Department of Agriculture				
Farm Labor Housing Loans and Grants	* +	10.405	\$ 7,255,670	\$ 7,255,670
Rural Rental Assistance Payments	**	10.427	611,299	611,299
Total U.S. Department of Agriculture			7,866,969	7,866,969
U. S. Department of HUD				
Section 8 Housing Assistance Payments				
Housing Choice Voucher Program	*	14.871	3,667,435	3,667,435
Resident Opportunity & Supporting Services	**	14.870	6,506	6,506
Total U.S. Department of HUD			3,673,941	3,673,941
TOTAL			\$ 11,540,910	\$ 11,540,910

Notes to the Schedule of Expenditures of Federal Awards

A. Basis of Accounting and Presentation

This schedule includes the federal grant activity of the Collier County Housing Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance (Title 2 U.S. Code of Federal Regulations (CFR), 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. The Authority has not elected to use the 10% de minimis cost rate.

B. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule

FDS Line 70600	HUD PHA Grants	\$ 3,673,941
FDS Line 70800	Other Government Grants	2,662,461
FDS Line 343 & 351	Farm Labor Housing Loan Debt	5,294,000
		11,630,402
FDS Line 70800	Less for Non-Federal Grants	(89,492)
		\$ 11,540,910

C. Other Considerations in Determining Major and Non-major Program Requirements

The Authority is administering housing under the U.S. Department of Agriculture's Rural Housing Services Program. The financing for construction of this housing project was provided by the Agency for Farm Labor Housing Loans & Grants (Federal CFDA #10.405). At September 30, 2018, the balance of the long-term debt due to the U.S. Department of Agriculture's Rural Housing Services was \$5,294,000. This loan balance has been considered as a part of the computation to determine the major and non-major program requirement under the Uniform Guidance.

D. Program Type

- * Type A Program
- ** Type B Program
- + Major Program

See auditor's report.

February 26, 2019

Mr. Oscar Hentschel, Executive Director
and Board of Commissioners
Collier County Housing Authority
Immokalee, Florida

Dear Mr. Hentschel and Board of Commissioners:

In planning and performing our audit of the financial statements of the Collier County Housing Authority for the year ended September 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

However, during our audit we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. This letter does not affect our report dated February 26, 2019, on the financial statements of the Collier County Housing Authority.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Authority personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Prior year management comments that continue to apply:

None.

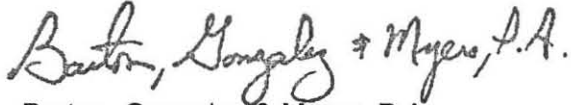
Current year management comments:

1. **USDA Depreciation Expense** - Current year depreciation expense under the USDA program was overstated on the books by \$734,788. Depreciation expense was overstated due to emergence of fixed assets recorded in a manual ledger from a prior fee accountant to the Lindsey system maintained by a new fee accountant. The manual ledger identified each capitalized asset under the USDA program. However, when individual fixed assets were fully depreciated, a single journal entry was made to transfer all of the fully depreciated assets to the Section A&B program on the manual ledger. As a result, the new fee accountant could not identify which assets were transferred to the Section A&B program. Therefore, the new fee accountant recorded a single fixed asset line item in the Lindsey system for different fixed assets that had different useful lives. We recommended the Authority to correct the depreciation schedule and calculations to include individual assets identified and the related useful life of the assets.

2. USDA Tenant File testing – Out of 5 files tested, we noted 1 file where the Authority calculated the tenant's income correctly, but the prior year income was reported on the Form 3560-8 (instead of using the current year income). As a result, the tenant paid \$157 too much every month. We recommend that care be exercised to assure that the tenant's income is updated properly.

This report is intended solely for the information and use of management, Board of Commissioners, others within the Authority, and the Department of Housing and Urban Development (HUD), and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Barton, Gonzalez & Myers, P.A.".

Barton, Gonzalez & Myers, P.A.
Certified Public Accountants

Financial Data Schedule

Collier County Housing Authority (FL141)
Immokalee, FL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2018

	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	10.405 Farm Labor Housing Loans and Grants	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	203,742		166,819	31,169	41,906		188,731	364,206	996,573		996,573
112 Cash - Restricted - Modernization and Development											
113 Cash - Other Restricted	1,824,579		61,546				0		1,886,125		1,886,125
114 Cash - Tenant Security Deposits	102,855						104,712		207,567		207,567
115 Cash - Restricted for Payment of Current Liabilities											
100 Total Cash	2,131,176	0	228,365	31,169	41,906	0	293,443	364,206	3,090,265	0	3,090,265
121 Accounts Receivable - PHA Projects			36,544						36,544		36,544
122 Accounts Receivable - HUD Other Projects											
124 Accounts Receivable - Other Government	50,807		0		19,519				70,326		70,326
125 Accounts Receivable - Miscellaneous	94							5,543	5,637		5,637
126 Accounts Receivable - Tenants	49,843		0				38,381		88,224		88,224
126.1 Allowance for Doubtful Accounts - Tenants	(10,761)		0				(14,981)		(25,742)		(25,742)
126.2 Allowance for Doubtful Accounts - Other	0		0		0			0	0		0
127 Notes, Loans, & Mortgages Receivable - Current											
128 Fraud Recovery			10,078						10,078		10,078
128.1 Allowance for Doubtful Accounts - Fraud			(504)						(504)		(504)
129 Accrued Interest Receivable	1,024								1,024		1,024
120 Total Receivables, Net of Allowances for Doubtful Accounts	91,007	0	46,118	0	19,519	0	23,400	5,543	185,587	0	185,587
131 Investments - Unrestricted											
132 Investments - Restricted	204,437								204,437		204,437
135 Investments - Restricted for Payment of Current Liability											
142 Prepaid Expenses and Other Assets	90,424		3,788				75,657	3,875	173,744		173,744
143 Inventories	26,632						41,859		68,491		68,491
143.1 Allowance for Obsolete Inventories	(2,133)						(1,325)		(3,458)		(3,458)
144 Inter Program Due From	1,643,769		0				228,367	62,924	1,935,060	(1,935,060)	0
145 Assets Held for Sale											
150 Total Current Assets	4,165,312	0	278,271	31,169	61,425	0	661,401	436,548	5,654,126	(1,935,060)	3,719,066
161 Land	1,413,339						1,155,374		2,568,713		2,568,713
162 Buildings	22,619,361						13,956,819	21,091	36,597,271		36,597,271
163 Furniture, Equipment & Machinery - Dwellings	454,377						74,680		529,057		529,057
164 Furniture, Equipment & Machinery - Administration	1,310,331		108,403				326,832	10,000	1,755,566		1,755,566
165 Leasehold Improvements											
166 Accumulated Depreciation	(14,340,371)		(86,854)				(14,256,420)	(8,256)	(28,691,901)		(28,691,901)
167 Construction in Progress							329,405		329,405		329,405
168 Infrastructure	2,788,181						2,085,718		4,873,899		4,873,899
160 Total Capital Assets, Net of Accumulated Depreciation	14,245,218	0	21,549	0	0	0	3,672,408	22,835	17,962,010	0	17,962,010
171 Notes, Loans and Mortgages Receivable - Non-Current											
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due											
173 Grants Receivable - Non Current											
174 Other Assets											
176 Investments in Joint Ventures											
180 Total Non-Current Assets	14,245,218	0	21,549	0	0	0	3,672,408	22,835	17,962,010	0	17,962,010
200 Deferred Outflow of Resources											
290 Total Assets and Deferred Outflow of Resources	18,430,530	0	299,820	31,169	61,425	0	4,333,809	459,383	23,616,136	(1,935,060)	21,681,076

Collier County Housing Authority (FL141)
Immokalee, FL
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2018

	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	10.405 Farm Labor Housing Loans and Grants	1 Business Activities	COCC	Subtotal	ELIM	Total
311 Bank Overdraft											
312 Accounts Payable <= 90 Days	24,342		6,519	697	366		38,836	15,193	83,953		83,953
313 Accounts Payable >90 Days Past Due											
321 Accrued Wage/Payroll Taxes Payable								6,038	6,038		6,038
322 Accrued Compensated Absences - Current Portion	2,004		724				1,935	2,520	7,183		7,183
324 Accrued Contingency Liability											
325 Accrued Interest Payable	43,051						4,200		47,251		47,251
331 Accounts Payable - HUD PHA Programs											
332 Account Payable - PHA Projects											
333 Accounts Payable - Other Government											
341 Tenant Security Deposits	100,997						104,712		205,709		205,709
342 Unearned Revenue	58,807						78,738	31,735	169,280		169,280
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	332,000								332,000		332,000
344 Current Portion of Long-term Debt - Operating Borrowings							95,984		95,984		95,984
345 Other Current Liabilities	61								61		61
346 Accrued Liabilities - Other											
347 Inter Program - Due To	1,792		954				1,707,455	224,859	1,935,060	(1,935,060)	0
348 Loan Liability - Current											
310 Total Current Liabilities	563,054	0	8,197	697	366	0	2,029,860	280,345	2,882,519	(1,935,060)	947,459
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	4,962,000						0		4,962,000		4,962,000
352 Long-term Debt, Net of Current - Operating Borrowings							512,444		512,444		512,444
353 Non-current Liabilities - Other			59,075						59,075		59,075
354 Accrued Compensated Absences - Non Current	18,036		6,519				17,415	22,680	64,650		64,650
355 Loan Liability - Non Current											
356 FASB 5 Liabilities											
357 Accrued Pension and OPEB Liabilities											
350 Total Non-Current Liabilities	4,980,036	0	65,594	0	0	0	529,859	22,680	5,598,169	0	5,598,169
300 Total Liabilities	5,543,090	0	73,791	697	366	0	2,559,719	303,025	8,480,688	(1,935,060)	6,545,628
400 Deferred Inflow of Resources											
508.4 Net Investment in Capital Assets	8,951,218	0	21,549		0	0	3,672,408	22,835	12,668,010		12,668,010
511.4 Restricted Net Position	2,029,017	0	2,471			0			2,031,488		2,031,488
512.4 Unrestricted Net Position	1,907,205	0	202,009	30,472	61,059	0	(1,898,318)	133,523	435,950		435,950
513 Total Equity - Net Assets / Position	12,887,440	0	225,029	30,472	61,059	0	1,774,090	156,358	15,135,448	0	15,135,448
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	18,430,530	0	299,820	31,169	61,425	0	4,333,809	459,383	23,616,136	(1,935,060)	21,681,076

Collier County Housing Authority (FL141)
Immokalee, FL
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2018

	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	10.405 Farm Labor Housing Loans and Grants	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$894,673						\$1,646,934		\$2,541,607		\$2,541,607
70400 Tenant Revenue - Other	\$15,133						\$51,421		\$66,554		\$66,554
70500 Total Tenant Revenue	\$909,806	\$0	\$0	\$0	\$0	\$0	\$1,698,355	\$0	\$2,608,161	\$0	\$2,608,161
70600 HUD PHA Operating Grants		\$6,506	\$3,667,435						\$3,673,941		\$3,673,941
70610 Capital Grants											
70710 Management Fee								\$353,048	\$353,048	-\$353,048	\$0
70720 Asset Management Fee											
70730 Book Keeping Fee								\$37,545	\$37,545	-\$37,545	\$0
70740 Front Line Service Fee											
70750 Other Fees											
70700 Total Fee Revenue								\$390,593	\$390,593	-\$390,593	\$0
70800 Other Government Grants	\$641,299				\$59,492	\$1,961,670			\$2,662,461		\$2,662,461
71100 Investment Income - Unrestricted			\$52						\$52		\$52
71200 Mortgage Interest Income											
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery			\$7,535						\$7,535		\$7,535
71500 Other Revenue	\$166,211		\$310,827				\$318,640	\$129,755	\$925,433		\$925,433
71600 Gain or Loss on Sale of Capital Assets											
72000 Investment Income - Restricted	\$14,072								\$14,072		\$14,072
70000 Total Revenue	\$1,731,388	\$6,506	\$3,985,849	\$0	\$59,492	\$1,961,670	\$2,016,995	\$520,348	\$10,282,248	-\$390,593	\$9,891,655
91100 Administrative Salaries	\$146,758		\$74,238		\$18,180		\$151,643	\$274,571	\$665,390		\$665,390
91200 Auditing Fees	\$7,599		\$7,641				\$4,700	\$1,094	\$21,034		\$21,034
91300 Management Fee	\$137,650		\$64,008				\$151,390		\$353,048	-\$353,048	\$0
91310 Book-keeping Fee	\$0		\$37,545						\$37,545	-\$37,545	\$0
91400 Advertising and Marketing	\$533						\$931		\$1,464		\$1,464
91500 Employee Benefit contributions - Administrative	\$42,840		\$32,763		\$1,339		\$46,801	\$58,973	\$182,716		\$182,716
91600 Office Expenses	\$21,019		\$52,860	\$60	\$210		\$30,997	\$24,701	\$129,847		\$129,847
91700 Legal Expense	\$1,130						\$5,310	\$8,653	\$15,093		\$15,093
91800 Travel	\$787		\$1,233				\$45	\$523	\$2,588		\$2,588
91810 Allocated Overhead											
91900 Other	\$26,555		\$38,887	\$380			\$33,513	\$24,718	\$124,053		\$124,053
91000 Total Operating - Administrative	\$384,871	\$0	\$309,175	\$440	\$19,729	\$0	\$425,330	\$393,233	\$1,532,778	-\$390,593	\$1,142,185
92000 Asset Management Fee											
92100 Tenant Services - Salaries		\$6,055							\$6,055		\$6,055
92200 Relocation Costs											
92300 Employee Benefit Contributions - Tenant Services		\$451							\$451		\$451
92400 Tenant Services - Other							\$679		\$679		\$679
92500 Total Tenant Services	\$0	\$6,506	\$0	\$0	\$0	\$0	\$679	\$0	\$7,185	\$0	\$7,185
93100 Water	\$1,839						\$32,461	\$11,121	\$45,421		\$45,421

Collier County Housing Authority (FL141)
Immokalee, FL

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2018

	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	10.405 Farm Labor Housing Loans and Grants	1 Business Activities	COCC	Subtotal	ELIM	Total
93200 Electricity	\$19,907		\$1,925				\$50,301	\$8,606	\$80,739		\$80,739
93300 Gas							\$3,040	\$14,888	\$17,928		\$17,928
93400 Fuel											
93500 Labor											
93600 Sewer											
93700 Employee Benefit Contributions - Utilities											
93800 Other Utilities Expense											
93000 Total Utilities	\$21,746	\$0	\$1,925	\$0	\$0	\$0	\$85,802	\$34,615	\$144,088	\$0	\$144,088
94100 Ordinary Maintenance and Operations - Labor	\$155,120						\$154,215		\$309,335		\$309,335
94200 Ordinary Maintenance and Operations - Materials and Other	\$85,316		\$4,197				\$177,409	\$6,796	\$273,718		\$273,718
94300 Ordinary Maintenance and Operations Contracts	\$211,520		\$1,872				\$171,690	\$5,206	\$390,288		\$390,288
94500 Employee Benefit Contributions - Ordinary Maintenance	\$69,851						\$63,124		\$132,975		\$132,975
94000 Total Maintenance	\$521,807	\$0	\$6,069	\$0	\$0	\$0	\$566,438	\$12,002	\$1,106,316	\$0	\$1,106,316
95100 Protective Services - Labor											
95200 Protective Services - Other Contract Costs	\$2,512		\$2,050				\$18,970	\$787	\$24,319		\$24,319
95300 Protective Services - Other											
95500 Employee Benefit Contributions - Protective Services											
95000 Total Protective Services	\$2,512	\$0	\$2,050	\$0	\$0	\$0	\$18,970	\$787	\$24,319	\$0	\$24,319
96110 Property Insurance	\$94,890		\$2,251				\$74,464	\$3,007	\$174,612		\$174,612
96120 Liability Insurance	\$33,846		\$3,313				\$32,275	\$1,450	\$70,884		\$70,884
96130 Workmen's Compensation	\$14,326		\$4,782				\$14,733	\$4,954	\$38,795		\$38,795
96140 All Other Insurance	\$1,912		\$739				\$1,859	\$509	\$5,019		\$5,019
96100 Total Insurance Premiums	\$144,974	\$0	\$11,085	\$0	\$0	\$0	\$123,331	\$9,920	\$289,310	\$0	\$289,310
96200 Other General Expenses	\$6,962		\$8,215						\$15,177		\$15,177
96210 Compensated Absences											
96300 Payments in Lieu of Taxes							\$3,000	\$3,150	\$6,150		\$6,150
96400 Bad debt - Tenant Rents	\$25,825						\$78,971		\$104,796		\$104,796
96500 Bad debt - Mortgages											
96600 Bad debt - Other			\$789						\$789		\$789
96800 Severance Expense											
96000 Total Other General Expenses	\$32,787	\$0	\$9,004	\$0	\$0	\$0	\$81,971	\$3,150	\$126,912	\$0	\$126,912
96710 Interest of Mortgage (or Bonds) Payable							\$0		\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)	\$52,677						\$17,288		\$69,965		\$69,965
96730 Amortization of Bond Issue Costs											
96700 Total Interest Expense and Amortization Cost	\$52,677	\$0	\$0	\$0	\$0	\$0	\$17,288	\$0	\$69,965	\$0	\$69,965
96900 Total Operating Expenses	\$1,161,374	\$6,506	\$339,308	\$440	\$19,729	\$0	\$1,319,809	\$453,707	\$3,300,873	-\$390,593	\$2,910,280
97000 Excess of Operating Revenue over Operating Expenses	\$570,014	\$0	\$3,646,541	-\$440	\$39,763	\$1,961,670	\$697,186	\$66,641	\$6,981,375	\$0	\$6,981,375

Collier County Housing Authority (FL141)
Immokalee, FL
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2018

	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	10.405 Farm Labor Housing Loans and Grants	1 Business Activities	COCC	Subtotal	ELIM	Total
97100 Extraordinary Maintenance											
97200 Casualty Losses - Non-capitalized											
97300 Housing Assistance Payments			\$3,347,970		\$37,537				\$3,385,507		\$3,385,507
97350 HAP Portability-In			\$282,631						\$282,631		\$282,631
97400 Depreciation Expense	\$534,173		\$2,404				\$296,888	\$3,406	\$836,871		\$836,871
97500 Fraud Losses											
97600 Capital Outlays - Governmental Funds											
97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense											
90000 Total Expenses	\$1,695,547	\$6,506	\$3,972,313	\$440	\$57,266	\$0	\$1,616,697	\$457,113	\$7,805,882	-\$390,593	\$7,415,289
10010 Operating Transfer In											
10020 Operating transfer 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)											
10091 Inter Project Excess Cash Transfer In											
10092 Inter Project Excess Cash Transfer Out											
10093 Transfers between Program and Project - In											
10094 Transfers between Project and Program - Out											
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$35,841	\$0	\$13,536	-\$440	\$2,226	\$1,961,670	\$400,298	\$63,235	\$2,476,366	\$0	\$2,476,366
11020 Required Annual Debt Principal Payments	\$109,000	\$0	\$0	\$0	\$0	\$0	\$60,897	\$0	\$169,897		\$169,897
11030 Beginning Equity	\$10,889,929	-\$6,827	\$219,320	\$31,009	\$63,178	\$0	\$1,373,792	\$93,123	\$12,663,524		\$12,663,524
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$1,961,670	\$6,827	-\$6,827	-\$97	-\$4,345	-\$1,961,670			-\$4,442		-\$4,442
11050 Changes in Compensated Absence Balance											
11060 Changes in Contingent Liability Balance											
11070 Changes in Unrecognized Pension Transition Liability											
11080 Changes in Special Term/Severance Benefits Liability											
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents											
11100 Changes in Allowance for Doubtful Accounts - Other											
11170 Administrative Fee Equity			\$223,558						\$223,558		\$223,558
11180 Housing Assistance Payments Equity			\$2,471						\$2,471		\$2,471
11190 Unit Months Available	3780		5532		108		5616		15036		15036
11210 Number of Unit Months Leased	2753		5006		108		3651		11518		11518
11270 Excess Cash											
11610 Land Purchases								\$0	\$0		\$0
11620 Building Purchases								\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases								\$0	\$0		\$0

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Immokalee, FL
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Fiscal Year End: 09/30/2018

	10.427 Rural Rental Assistance Payments	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	10.405 Farm Labor Housing Loans and Grants	1 Business Activities	COCC	Subtotal	ELIM	Total
11640 Furniture & Equipment - Administrative Purchases								\$0	\$0		\$0
11650 Leasehold Improvements Purchases								\$0	\$0		\$0
11660 Infrastructure Purchases								\$0	\$0		\$0
13510 CFFP Debt Service Payments								\$0	\$0		\$0
13901 Replacement Housing Factor Funds								\$0	\$0		\$0