

**COLLIER COUNTY  
HOUSING  
AUTHORITY**

**Basic  
Financial Statements and  
Supplementary  
Information**

**September 30, 2022**



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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Collier County Housing Authority  
Immokalee, Florida

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of the Collier County Housing Authority (the "Authority") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of September 30, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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### ***Responsibilities of Management for the Financial Statements (continued)***

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Financial Data Schedule, and Schedules of CARES Act Program Fund Costs and Advances are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, the Schedules of CARES Act Program Fund Costs and Advances 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 Information***

Management is responsible for the other information included in the annual report. The other information comprises Farm Worker Subsidized Housing Program information and the Certificate of Borrower but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

February 24, 2023  
Melbourne, Florida

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

## Housing Authority of Collier County

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended September 30, 2022

As management of the Collier County Housing Authority (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

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

#### **Financial Highlights**

- The assets of the Authority exceeded its liabilities as of September 30, 2022 by \$19,104,594 (net position).
- The Authority's total cash balances as of September 30, 2022 were \$5,555,917, representing a decrease of \$607,159.
- The Authority had revenue from the U.S. Department of Housing and Urban Development ("HUD") of \$4,816,282 along with revenue from the U.S. Department of Agriculture ("USDA") of \$642,218.

#### **Overview of Financial Statements**

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

- Statement of Net Position - reports the Authority's assets, liabilities and net position at the end of the fiscal year. You can think of the Authority's net position as the difference between what the Authority owns (assets and deferred outflows of resources) and what the Authority owes (liabilities and deferred inflows of resources).
- Statement of Revenues, Expenses, and Changes in Net Position - presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in the future periods.

## Overview of Financial Statements (continued)

- Statement of Cash Flows - presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Authority in prior periods and subsequently received during the current fiscal year (i.e. receivables, notes receivable etc.).
- Notes to the Basic Financial Statements - provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

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

## Financial Analysis

### Condensed Statement of Net Position

|                                  | 2022          | 2021          | Net Change   |
|----------------------------------|---------------|---------------|--------------|
| Current assets                   | \$ 4,118,347  | \$4,591,906   | \$ (473,559) |
| Capital assets, net              | 18,082,157    | 16,637,681    | 1,444,476    |
| Other noncurrent assets          | 2,646,510     | 2,362,773     | 283,737      |
| Total assets                     | 24,847,014    | 23,592,360    | 1,254,654    |
| Current liabilities              | 1,327,717     | 1,035,561     | 292,156      |
| Long-term debt                   | 4,249,218     | 4,516,575     | (267,357)    |
| Other noncurrent liabilities     | 165,485       | 126,006       | 39,479       |
| Total liabilities                | 5,742,420     | 5,678,142     | 64,278       |
| Net investment in capital assets | 13,569,531    | 11,794,573    | 1,774,958    |
| Restricted net position          | 2,974,437     | 2,969,065     | 5,372        |
| Unrestricted net position        | 2,560,626     | 3,150,580     | (589,954)    |
| Total net position               | \$ 19,104,594 | \$ 17,914,218 | \$ 1,190,376 |

**Current Assets** decreased by \$473,559 primarily due to a decrease in cash due to long term debt payments and purchases of fixed assets made during the year.

**Net Capital Assets** increased by \$1,444,476 mainly due to purchases of fixed assets offset by depreciation. These additions consist of the HVAC project, new roofs, and equipment.

**Other Noncurrent Assets** increased by \$283,737 due to increases to the USDA sinking fund reserves.

**Current Liabilities** increased by \$292,156 mainly due to increases in unearned revenues from the prepaid rents, and emergency housing voucher service fees that have not yet been earned.



## Financial Analysis (continue)

**Long Term Debt** reflect a decrease of \$267,357 mainly due to debt principal payments.

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

1. Net investment in capital assets - The Authority's capital asset balance, net of accumulated depreciation and related long term debt as of September 30, 2022 is \$13,569,531.
2. Restricted - The Authority's net position whose use is subject to constraints imposed by law or agreement. The statement of net position of the Authority reports \$2,974,437 of restricted net position which consists of USDA sinking fund reserve replacement, restricted investments, and maintenance reserves.
3. Unrestricted - The Authority's net position, that is neither invested in capital assets nor restricted, which changes principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors. The Authority has \$2,560,626 in unrestricted net position as of September 30, 2022. The Authority's unrestricted net position is designated for housing purposes.

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

|                                   | <u>2022</u>          | <u>2021</u>          | <u>Net Change</u>   |
|-----------------------------------|----------------------|----------------------|---------------------|
| Operating revenue                 |                      |                      |                     |
| HUD revenue                       | \$ 4,816,282         | \$4,830,437          | \$ (14,155)         |
| Tenant revenue                    | 3,497,177            | 3,456,827            | 40,350              |
| Other grant revenues              | 1,103,788            | 806,941              | 296,847             |
| Other revenue                     | 1,127,027            | 886,279              | 240,748             |
| Total operating revenue           | <u>10,544,274</u>    | <u>9,980,484</u>     | <u>563,790</u>      |
| Operating expenses                |                      |                      |                     |
| Housing assistance payments       | 5,021,108            | 4,567,810            | 453,298             |
| Maintenance                       | 1,112,735            | 1,163,863            | (51,128)            |
| Administrative                    | 1,363,192            | 1,252,221            | 110,971             |
| Depreciation                      | 854,249              | 952,528              | (98,279)            |
| General                           | 607,714              | 513,154              | 94,560              |
| Utilities                         | 307,619              | 228,117              | 79,502              |
| Protective services               | 49,773               | 34,730               | 15,043              |
| Total operating expenses          | <u>9,316,390</u>     | <u>8,712,423</u>     | <u>603,967</u>      |
| Operating income                  | 1,227,884            | 1,268,061            | (40,177)            |
| Non operating revenues (expenses) |                      |                      |                     |
| Interest income - restricted      | 14,028               | 7,847                | 6,181               |
| Interest expense                  | (51,536)             | (55,492)             | 3,956               |
| Total nonoperating expenses       | <u>(37,508)</u>      | <u>(47,645)</u>      | <u>10,137</u>       |
| Change in net position            | 1,190,376            | 1,220,416            | (30,040)            |
| Total net position - beginning    | <u>17,914,218</u>    | <u>16,693,802</u>    | <u>1,220,416</u>    |
| Total net position - ending       | <u>\$ 19,104,594</u> | <u>\$ 17,914,218</u> | <u>\$ 1,190,376</u> |

## **Financial Analysis (continued)**

**Total Operating Revenue** increased by \$563,790 during the fiscal year ending 2022. This is mainly due to an increase in other revenue due to new CDBG and SHIP grants from Collier County (the "County").

**Total Operating Expenses** increased by \$603,967 during the fiscal year ending 2022 as compared to the fiscal year ending 2021. This is primarily a result of increases in housing assistance payments and administrative expenses offset by decreases in depreciation.

- Housing Assistance Payments increased by \$453,298 due to an increase in the number of tenants being served through the Housing Choice Voucher program and the Emergency Housing Voucher program.
- Administrative expenses increased by \$110,971 due to an increase in salary expenses due to a senior employee retiring during the year and around 6 months of overlap between the retiring employee and the new employee.
- Depreciation expense decreased by \$98,279, due to assets reaching their respective useful life.

## **Capital Assets and Debt Activity**

During the fiscal year 2022, the Authority's net capital assets increased by \$1,444,476 due to current year additions \$2,298,725. These additions consist of the HVAC project, new roofs, and equipment. These were offset by depreciation expense of \$854,249.

At the end of the fiscal year 2022, the Authority had debt of \$4,512,626 of which only \$263,408 is presented as current. This balance represents a decrease from that of the previous year-end due to the debt payments.

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

The Authority is primarily dependent upon HUD and USDA for various programs; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2021 and 2022 federal budgets.

## **Economic Factors**

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

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

Collier County Housing Authority

STATEMENT OF NET POSITION

September 30, 2022

**ASSETS**

**CURRENT ASSETS**

|  |                  |
|--|------------------|
| Cash and cash equivalents - unrestricted | \$ 2,412,326     |
| Cash and cash equivalents - restricted   | 497,081          |
| Investments - restricted                 | 216,176          |
| Due from HUD                             | 17,911           |
| Receivables, net                         | 641,672          |
| Inventory, net                           | 65,352           |
| Prepaid expenses                         | 267,829          |
| Total current assets                     | <u>4,118,347</u> |

**NONCURRENT ASSETS**

|  |                   |
|--|-------------------|
| Cash and cash equivalents - restricted | 2,646,510         |
| Capital assets, net                    | <u>18,082,157</u> |
| Total noncurrent assets                | <u>20,728,667</u> |
| Total assets                           | <u>24,847,014</u> |

**LIABILITIES**

**CURRENT LIABILITIES**

|                                   |                  |
|-----------------------------------|------------------|
| Current portion of long-term debt | 263,408          |
| Accounts payable                  | 206,014          |
| Accrued wages                     | 11,693           |
| Accrued compensated absences      | 18,687           |
| Unearned revenue                  | 555,877          |
| Tenant security deposits          | 264,848          |
| Accrued interest payable          | 6,647            |
| Other current liabilities         | 543              |
| Total current liabilities         | <u>1,327,717</u> |

**NONCURRENT LIABILITIES**

|                              |                  |
|------------------------------|------------------|
| Long-term debt               | 4,249,218        |
| Accrued compensated absences | <u>165,485</u>   |
| Total noncurrent liabilities | <u>4,414,703</u> |
| Total liabilities            | <u>5,742,420</u> |

**NET POSITION**

|                                  |                      |
|----------------------------------|----------------------|
| Net investment in capital assets | 13,569,531           |
| Restricted                       | 2,974,437            |
| Unrestricted                     | <u>2,560,626</u>     |
| Total net position               | <u>\$ 19,104,594</u> |

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

Collier County Housing Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended September 30, 2022

|   |                      |
|---|----------------------|
| <b>OPERATING REVENUES</b>               |                      |
| HUD operating revenues                  | \$ 4,816,282         |
| Tenant revenue, net                     | 3,497,177            |
| Rural rental assistance                 | 642,218              |
| CDBG revenues                           | 435,150              |
| HOME revenues                           | 26,420               |
| Other rental revenue                    | 677,210              |
| Other operating revenue                 | 449,817              |
| Total operating revenues                | <u>10,544,274</u>    |
| <b>OPERATING EXPENSES</b>               |                      |
| Housing assistance payments             | 5,021,108            |
| Maintenance                             | 1,112,735            |
| Administrative                          | 1,363,192            |
| Depreciation                            | 854,249              |
| General                                 | 607,714              |
| Utilities                               | 307,619              |
| Protective services                     | 49,773               |
| Total operating expenses                | <u>9,316,390</u>     |
| <b>OPERATING INCOME</b>                 | <u>1,227,884</u>     |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                      |
| Interest income - restricted            | 14,028               |
| Interest expense                        | (51,536)             |
| Total nonoperating revenues (expenses)  | <u>(37,508)</u>      |
| Change in net position                  | 1,190,376            |
| Total net position - beginning          | <u>17,914,218</u>    |
| Total net position - ending             | <u>\$ 19,104,594</u> |

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

**Collier County Housing Authority**

**STATEMENT OF CASH FLOWS**

**For the year ended September 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                    |
|---|--------------------|
| HUD operating grants received             | \$ 5,017,729       |
| Collections from tenants                  | 3,105,722          |
| Collections from other sources            | 2,285,816          |
| Payments to employees                     | (1,506,067)        |
| Payments to suppliers                     | (1,823,690)        |
| Housing assistance payments               | <u>(5,020,942)</u> |
| Net cash provided by operating activities | <u>2,058,568</u>   |

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

|   |                    |
|---|--------------------|
| Payments on long term debt                                | (330,482)          |
| Interest paid   | (51,781)           |
| Purchase of property and equipment                        | <u>(2,298,725)</u> |
| Net cash used in capital and related financing activities | <u>(2,680,988)</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                |               |
|--------------------------------|---------------|
| Interest received - restricted | <u>15,261</u> |
|--------------------------------|---------------|

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

|  |                     |
|--|---------------------|
|  | (607,159)           |
| Cash and cash equivalents at beginning of year | <u>6,163,076</u>    |
| Cash and cash equivalents at end of year       | <u>\$ 5,555,917</u> |

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

|   |                     |
|---|---------------------|
| Cash and cash equivalents - unrestricted            | \$ 2,412,326        |
| Cash and cash equivalents - restricted              | 497,081             |
| Cash and cash equivalents - restricted - noncurrent | <u>2,646,510</u>    |
|   | <u>\$ 5,555,917</u> |

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

Collier County Housing Authority

STATEMENT OF CASH FLOWS (continued)

For the year ended September 30, 2022

| <b>RECONCILIATION OF OPERATING INCOME TO NET<br/>CASH PROVIDED BY OPERATING ACTIVITIES</b> |                     |
|--|---------------------|
| Operating income   | \$ 1,227,884        |
| Adjustments to reconcile operating income to<br>net cash provided by operating activities  |                     |
| Depreciation   | 854,249             |
| Provision for bad debt   | 73,334              |
| (Increase) decrease in assets:   |                     |
| Due from HUD   | (17,911)            |
| Receivables, net   | (422,523)           |
| Prepaid expenses   | (51,470)            |
| Increase (decrease) in liabilities:  |                     |
| Accounts payable   | 109,214             |
| Accrued wages  | 11,693              |
| Accrued compensated absences   | 41,839              |
| Unearned revenue   | 237,269             |
| Tenant security deposits   | (5,176)             |
| Other current liabilities  | 166                 |
| Net cash provided by operating activities  | <u>\$ 2,058,568</u> |

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

## Collier County Housing Authority

### NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2022

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

1. Reporting entity

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

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

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

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

2. Blended component unit

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

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

## Collier County Housing Authority

### NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2022

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

2. Blended component unit (continued)

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

3. Government-wide and fund financial statements

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

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

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

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

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

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



Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Measurement focus and basis of accounting

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

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

For financial reporting purposes, the Authority considers its HUD, USDA and other grants associated with operations as operating revenue because these funds more closely represent revenues generated from operating activities rather than nonoperating activities. Any HUD grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity on the accompanying statement of revenues, expenses and changes in net position.

In addition as provided by GASB Codification Section P80.115, *Proprietary Fund Accounting and Financial Reporting: Defining Operating Expenses*, and related guidance, tenant revenue is reported net of accounts written-off in the amount of \$26,525.

5. Summary of programs

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

a. *Farm Labor Housing Loans and Grants*

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

b. *Central Office Cost Center*

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

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

5. Summary of programs (continued)

*c. Housing Assistance Payments Programs*

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

*d. HOME*

The HOME program funds the tenant based rental assistance program.

*e. Community Development Block Grant*

Community Development Block Grant ("CDBG") supports community development activities to build stronger and more resilient communities. The Authority is using these grants to purchase additional properties for low income families and rehabilitating the current properties the Authority maintains.

*f. Business Activities*

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

6. Budgets

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

7. Assets, liabilities and net position

*a. Cash and cash equivalents*

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

Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Assets, liabilities and net position (continued)

b. *Receivables and amounts due from HUD*

Receivables consist of revenues earned during the fiscal year and not yet received. Amounts due from HUD represent reimbursable expenses or grant subsidies earned that have not been collected as of September 30, 2022. Allowances are determined by management based on periodic aging of tenant's accounts receivable and prior experience.

c. *Investments*

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

d. *Inventory*

Inventory, consisting principally of materials held for use or consumption, is recorded at cost. Based on management's experience with the types of items in inventory and related usage plans, an allowance for obsolescence of \$3,440 was recorded as of September 30, 2022.

e. *Capital assets*

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

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

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

Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Assets, liabilities and net position (continued)

f. *Accrued compensated absences*

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

g. *Unearned revenues*

Unearned revenues include amounts collected before revenue recognition criteria are met. As of September 30, 2022 unearned revenues consists of \$136,500 of Emergency Housing Voucher funding and \$419,377 of prepaid rents.

h. *Eliminations*

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

i.) *Fee for service*

The Authority's COCC internally charges fees to the AMPs and programs of the Authority. These charges include management fees, bookkeeping fees, front line service fees, other fee revenue and asset management fees. For financial reporting purposes, \$574,702 of fee for service charges have been eliminated for the year ended September 30, 2022.

ii.) *Interprogram due to/from*

In the normal course of operations, certain programs may pay for common costs or advance funds for operations that create interprogram receivables or payables. These interprogram receivables and payables net to zero and are eliminated for the presentation of the Authority as a whole. As of September 30, 2022, a total of \$1,771 was eliminated.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

7. Assets, liabilities and net position (continued)

*i. Net position*

In accordance with GASB Codification Section 1800.155, *Reporting Net Position in Government-Wide Financial Statements*, total equity as of September 30, 2022, is classified into three components of net position:

*i.) Net investment in capital assets*

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

*ii.) Restricted component of net position*

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

|  |    |           |
|--|----|-----------|
| USDA reserve replacement (Note B-7(h)) | \$ | 2,646,510 |
| Restricted investments                 |    | 216,176   |
| USDA Maintenance reserve               |    | 111,751   |
|  |    | 111,751   |
| Total restricted net position          | \$ | 2,974,437 |

*iii.) Unrestricted component of net position*

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

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2022**

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

8. Use of estimates

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

9. Income taxes

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

10. Impairment of long-lived assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that impairment is other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. Management has determined that there were no such impairments as of September 30, 2022.

11. Leasing activities

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

12. Impact of recently implemented accounting principles

In June 2017, the GASB issued Statement No. 87, *Leases*, which established a single model for lease accounting. This statement is effective for the Authority's September 30, 2022 fiscal year end. Management has implemented the adoption of this statement on the Authority's financial statements and it did not have a significant impact to the Authority's statements.

Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2022

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

13. Impact of recently issued accounting principles

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for the Authority's September 30, 2023 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Authority's financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for the Authority's September 30, 2024 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Authority's financial statements.

**NOTE B - DETAILED NOTES**

1. Deposits and investments

As of September 30, 2022, the Authority's cash balance consists of demand deposits with financial institutions of \$5,555,917, and investment balance consists of certificates of deposit of \$216,176.

*Bond Reserves.* The Authority maintains a sinking fund under the terms of the revenue bonds. The Authority is required to make annual reserve deposits in the amount of \$400,000 plus the amount of any deficiency in prior deposits until funds and investments in the reserve accounts equal \$10,000,000. This annual reserve deposit amount shall increase each year. The balance of the reserves as of September 31, 2022 is \$2,622,694.

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

*Interest rate* risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy to limit its exposure to declines in fair values of its investment portfolio is to only invest in HUD allowed investments and to monitor investments. As of September 30, 2022, the Authority had no investments, and therefore was not exposed to interest rate risk.

*Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies of the United States of America. As of September 30, 2022, the Authority was not exposed to credit risk.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

1. Deposits and investments (continued)

*Custodial credit risk* is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk, requires collateral to be held in the Authority's name by its agent or by the bank's trust department. The Authority's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000, per financial institution, per depositor. Monies invested greater than the insurance coverage are secured by qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. As of September 30, 2022 none of the Authority's total bank balance was exposed to custodial credit risk, as all funds were either fully insured or collateralized.

*Restricted cash and cash equivalents*

As of September 30, 2022, restricted cash consists of:

|                                  |              |
|----------------------------------|--------------|
| <i>Current:</i>                  |              |
| Tenant security deposits         | \$ 264,848   |
| Emergency Housing Voucher        | 120,482      |
| USDA maintenance reserve         | 111,751      |
| Total current restricted cash    | 497,081      |
| <i>Noncurrent:</i>               |              |
| USDA replacement reserve         | 2,622,694    |
| USDA reserves other              | 23,816       |
| Total noncurrent restricted cash | 2,646,510    |
|                                  | \$ 3,143,591 |

The Authority maintains reserves according to loan parameters as described in Note B-7(c).



**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

2. Receivables, net

At September 30, 2022, receivables, net consist of:

|   |    |          |
|---|----|----------|
| Due from other governments                | \$ | 128,893  |
| Tenant receivables                        |    | 525,921  |
| Miscellaneous receivables                 |    | 23,331   |
| Fraud recovery                            |    | 6,484    |
| Accrued interest receivable               |    | 40       |
| Total receivables                         |    | 684,669  |
| Allowance for doubtful accounts - tenants |    | (36,513) |
| Allowance for doubtful accounts - fraud   |    | (6,484)  |
| Total allowance for doubtful accounts     |    | (42,997) |
| Total receivables, net                    | \$ | 641,672  |

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2022**

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

3. Capital assets, net

A summary of the changes in capital assets for the year ended September 30, 2022 is as follows:

|                                       | Balance at<br>October 1,<br>2021 | Additions                  | Deletions          | Balance at<br>September 30,<br>2022 |
|---------------------------------------|----------------------------------|----------------------------|--------------------|-------------------------------------|
| <b>Nondepreciable capital assets:</b> |                                  |                            |                    |                                     |
| Land                                  | \$ 2,676,245                     | \$ -                       | \$ -               | \$ 2,676,245                        |
| Construction in progress              | 56,920                           | 910,190                    | -                  | 967,110                             |
|                                       | <u>2,733,165</u>                 | <u>910,190</u>             | <u>-</u>           | <u>3,643,355</u>                    |
| <b>Depreciable capital assets:</b>    |                                  |                            |                    |                                     |
| Buildings and improvements            | 37,516,813                       | 1,310,555                  | -                  | 38,827,368                          |
| Equipment - admin                     | 1,842,635                        | 77,980                     | -                  | 1,920,615                           |
| Equipment - dwelling                  | 536,158                          | -                          | -                  | 536,158                             |
| Infrastructure improvements           | 5,816,911                        | -                          | -                  | 5,816,911                           |
|                                       | <u>45,712,517</u>                | <u>1,388,535</u>           | <u>-</u>           | <u>47,101,052</u>                   |
| <b>Accumulated depreciation:</b>      |                                  |                            |                    |                                     |
| Buildings and improvements            | (25,079,339)                     | (791,364)                  | -                  | (25,870,703)                        |
| Equipment - admin                     | (625,361)                        | (1,420)                    | -                  | (626,781)                           |
| Equipment - dwelling                  | (1,783,569)                      | (11,871)                   | -                  | (1,795,440)                         |
| Infrastructure improvements           | (4,319,732)                      | (49,594)                   | -                  | (4,369,326)                         |
|                                       | <u>(31,808,001)</u>              | <u>(854,249)</u>           | <u>-</u>           | <u>(32,662,250)</u>                 |
| <b>Total capital assets, net</b>      | <u><u>\$ 16,637,681</u></u>      | <u><u>\$ 1,444,476</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 18,082,157</u></u>         |

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

4. Noncurrent liabilities

A summary of changes in noncurrent liabilities is as follows:

|                              | Payable at<br>October 1,<br>2021 | Additions         | Reductions          | Payable at<br>September 30,<br>2022 | Current<br>Portion |
|------------------------------|----------------------------------|-------------------|---------------------|-------------------------------------|--------------------|
| Revenue Bonds payable:       |                                  |                   |                     |                                     |                    |
| Bond Series D                | \$ 65,000                        | \$ -              | \$ (32,000)         | \$ 33,000                           | \$ 33,000          |
| Bond Series E                | 345,000                          | -                 | (33,000)            | 312,000                             | 33,000             |
| Bond Series F                | 552,000                          | -                 | (48,000)            | 504,000                             | 48,000             |
| Bond Series G                | 3,550,000                        | -                 | (115,000)           | 3,435,000                           | 116,000            |
| Bond Series 2020             | 55,257                           | -                 | -                   | 55,257                              | -                  |
| Subtotal                     | <u>4,567,257</u>                 | <u>-</u>          | <u>(228,000)</u>    | <u>4,339,257</u>                    | <u>230,000</u>     |
| Notes payable:               |                                  |                   |                     |                                     |                    |
| 1st Florida Integrity        | 31,501                           | -                 | (31,501)            | -                                   | -                  |
| Loan First FL                | 37,570                           | -                 | (37,570)            | -                                   | -                  |
| SHIP                         | 26,819                           | -                 | (13,411)            | 13,408                              | 13,408             |
| Florida Community Bank       | 179,961                          | -                 | (20,000)            | 159,961                             | 20,000             |
| Subtotal                     | <u>275,851</u>                   | <u>-</u>          | <u>(102,482)</u>    | <u>173,369</u>                      | <u>33,408</u>      |
| Subtotal of long-term debt   | 4,843,108                        | -                 | (330,482)           | 4,512,626                           | 263,408            |
| Accrued compensated absences | 142,333                          | 117,090           | (75,251)            | 184,172                             | 18,687             |
| Total                        | <u>\$ 4,985,441</u>              | <u>\$ 117,090</u> | <u>\$ (405,733)</u> | <u>\$ 4,696,798</u>                 | <u>\$ 282,095</u>  |

*i. Revenue Bonds*

Capital facilities are financed by debt which is guaranteed and subsidized by the U.S. Department of Agriculture, Rural Housing Services (RHS). Revenue bonds are issued for the purpose of acquiring, constructing, and erecting additions, extensions, and improvements to the issuers existing low rent multifamily housing units and apartments and facilities for low-income domestic farm labor within the area of operation of the issuer (the "Project"). The bond is secured with a mortgage lien upon and a pledge of the land and facilities of the Project and the gross revenues to be derived from the operation of the Housing Facilities. Terms of the bond indenture contain various restricted covenants and management believes that they are in compliance with all covenants as of September 30, 2022.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

4. Noncurrent liabilities (continued)

i. Revenue Bonds (continued)

The Authority presently has bonds payable on its farm labor housing projects which are due annually in installments of varying principal and interest amounts. Revenue Bonds payable at September 30, 2022 are as follows:

Series D Bond

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

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

|      | Principal | Interest |
|------|-----------|----------|
| 2023 | \$ 33,000 | \$ 650   |

Series E Bond

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

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

|           | Principal  | Interest  |
|-----------|------------|-----------|
| 2023      | \$ 33,000  | \$ 3,120  |
| 2024      | 34,000     | 2,790     |
| 2025      | 34,000     | 2,450     |
| 2026      | 34,000     | 2,110     |
| 2027      | 35,000     | 1,770     |
| 2028-2031 | 142,000    | 3,570     |
| Total     | \$ 312,000 | \$ 15,810 |

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

4. Noncurrent liabilities (continued)

i. Revenue Bonds (continued)

Series F Bond

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

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

|           | Principal  | Interest  |
|-----------|------------|-----------|
| 2023      | \$ 48,000  | \$ 5,040  |
| 2024      | 49,000     | 4,560     |
| 2025      | 49,000     | 4,070     |
| 2026      | 50,000     | 3,580     |
| 2027      | 50,000     | 3,080     |
| 2028-2032 | 258,000    | 7,770     |
| Total     | \$ 504,000 | \$ 28,100 |

Series G Bond

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

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

|           | Principal    | Interest   |
|-----------|--------------|------------|
| 2023      | \$ 116,000   | \$ 34,350  |
| 2024      | 118,000      | 33,190     |
| 2025      | 119,000      | 32,010     |
| 2026      | 120,000      | 30,820     |
| 2027      | 121,000      | 29,620     |
| 2028-2032 | 623,000      | 129,720    |
| 2033-2037 | 656,000      | 97,900     |
| 2038-2042 | 689,000      | 64,470     |
| 2043-2047 | 724,000      | 29,320     |
| 2048      | 149,000      | 1,490      |
| Total     | \$ 3,435,000 | \$ 482,890 |

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

4. Noncurrent liabilities (continued)

i. Revenue Bonds (continued)

Series 2020 Bond

The Authority issued Revenue Bonds Series 2020, not to exceed \$1,500,000 with 1% interest, due annually on September 1, beginning in 2023. The bond is due on September 1, 2053. As of September 30, 2022, only \$55,257 has been drawn due to staffing changes in the USDA. The Authority in conjunction with the USDA is currently deciding on the commencement of the loan draws. There is no current portion payable.

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

|           | Principal    | Interest   |
|-----------|--------------|------------|
| 2023      | \$ -         | \$ 15,000  |
| 2024      | 42,000       | 14,580     |
| 2025      | 43,000       | 14,160     |
| 2026      | 43,000       | 13,730     |
| 2027      | 44,000       | 13,300     |
| 2028-2032 | 226,000      | 59,830     |
| 2033-2037 | 238,000      | 48,270     |
| 2038-2042 | 246,000      | 36,200     |
| 2043-2047 | 254,000      | 23,770     |
| 2048-2052 | 267,000      | 10,830     |
| 2053      | 97,000       | 550        |
| Total     | \$ 1,500,000 | \$ 250,220 |

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

In September 29, 2015, the Authority entered into a promissory note to a bank in the amount of \$219,150 at an interest rate of 3.5%. Payable in 84 monthly installments of interest and principal of \$2,950. Final payment was made on September 29, 2022.

**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2022**

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

4. Noncurrent liabilities (continued)

*iii. Loan First Florida Bank*

In August of 2019, the Authority entered into a promissory note to a bank in the amount of \$171,919 at an interest rate of 4.95%. Payable in 60 monthly installments of interest and principal of \$3,246. Final payment due by August 14, 2023. This note was paid in full during the year ended September 30, 2022.

*iv. Note Payable SHIP*

In August of 2004, the Authority entered into a loan agreement with Collier County under the State Housing Initiatives Partnership for their business activity, Horizon Village. Principal payments were deferred for a period of three years from the date of disbursement with seventeen equal annual payments of \$13,412 due beginning September 1, 2007 and continuing until payment in full is received on August 1, 2023. Interest on this note shall be 0% per annum, except that if the Authority fails to pay this note as required, the interest rate shall be 12% per annum from the date when the payment of this note is due until it is paid in full. The amount payable at September 30, 2022, was \$13,408.

*v. Note Payable Florida Community Bank*

On May 31, 2006, the Authority executed a note payable to the Florida Community Bank in the amount of \$500,000 to finance the business activity of Horizon Village. This agreement was amended on March 28, 2013 with a remaining debt balance of \$359,961. The term of this note is 17 years with 3% interest. Payments of principal and interest are to be made annually. As of September 30, 2022, the outstanding balance was \$159,961.

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

|           | <u>Principal</u>  | <u>Interest</u>  |
|-----------|-------------------|------------------|
| 2023      | \$ 20,000         | \$ 4,799         |
| 2024      | 20,000            | 4,199            |
| 2025      | 20,000            | 3,599            |
| 2026      | 20,000            | 2,999            |
| 2027      | 20,000            | 2,399            |
| 2028-2030 | 59,961            | 3,597            |
| Total     | <u>\$ 159,961</u> | <u>\$ 21,592</u> |

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

Collier County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2022

NOTE B - DETAILED NOTES (continued)

5. Pension plan

The Authority provides pension benefits for all of its full time regular employees through a defined contribution plan. The plan is administered by the Authority. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority matches the employee pre-tax deferral contributions up to 5% of the employee's base salary. The Authority's contributions for each employee, and earnings thereon, are fully vested after 1 year. Contributions for the plan and interest forfeited by employees who leave employment before vesting, are used to reduce the Authority's current-period contribution requirement. The amounts contributed by the Authority and its employees for the year ended September 30, 2022 were \$47,085 and \$47,085, respectively. There were no pension forfeitures during the fiscal year.

6. Risk management

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

7. Commitments and contingencies

a. *Legal*

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

b. *Grants and contracts*

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



**Collier County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the year ended September 30, 2022**

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

7. Commitments and contingencies (continued)

b. *Grants and contracts (continued)*

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

During the year ended September 30, 2016, the Authority signed a “repayment agreement” with the USDA to repay the Rural Housing program \$1,761,291 from business activities. The Authority is to make annual payments of \$55,040 for 32 years from business activities to repay the Rural Housing Program. The Authority acknowledged and agreed that a failure of the Authority to comply with the repayment agreement may be considered by the USDA a breach of the terms and conditions of outstanding loans, mortgages and grants. The amount due to the Rural Rental Assistance Program from business activities as of September 30, 2022 is \$1,107,823. These interprogram receivables and payables have been eliminated on the financial statements.

c. *SHIP promissory notes*

During the year ended September 30, 2019, the Authority obtained funding in the amount of \$600,000 from Collier County under the State Housing Initiatives Partnership (SHIP) program for the purchase of two rental properties. The SHIP program provides funds to eligible local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate income families. In order to assure compliance, the Authority entered into a SHIP promissory notes (two promissory notes at \$300,000 each, totaling \$600,000) that carry an interest rate of 0% and are forgivable after a 15-year term if the Authority complies with the SHIP requirements.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

7. Commitments and contingencies (continued)

c. *SHIP promissory notes (continued)*

However, if the properties are sold, refinanced, no longer serve the intended purpose, or title transfers, the loan will be paid in full. The SHIP proceeds were recognized as income at the time of receipt since the Authority believes the likelihood of repayment is remote and intends to comply with the forgivable parameters of the borrowing.

8. Concentrations

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies including, but not limited to HUD and USDA. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD or USDA. Such changes may occur with little notice or inadequate funding to pay for related costs, and the additional administrative burden to comply with the changes. For the year ended September 30, 2022, approximately 47% of revenues and 15% of the receivables were from HUD and 6% of revenues and 7% of current receivables were from USDA.

9. Financial data schedule

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

10. Subsequent events

Management has evaluated subsequent events through February 24, 2022, the date which the financial statements were available to be issued, and noted no additional significant items to be disclosed.

**Collier County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the year ended September 30, 2022**

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

11. Component unit information

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

Condensed Statement of Net position:

|                |    |        |
|----------------|----|--------|
| Assets         |    |        |
| Current assets | \$ | 30,924 |
| Net Position   |    |        |
| Unrestricted   | \$ | 30,924 |

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

|                              |    |        |
|------------------------------|----|--------|
| Other revenue                | \$ | -      |
| Operating expenses           |    | 62     |
| Change in net position       |    | (62)   |
| Total net position beginning |    | 30,986 |
| Total net position ending    | \$ | 30,924 |

Condensed Statement of Cash Flows:

|                               |    |        |
|-------------------------------|----|--------|
| Net cash used in:             |    |        |
| Operating activities          | \$ | (62)   |
| Cash at beginning of the year |    | 30,986 |
| Cash at end of the year       | \$ | 30,924 |

**SUPPLEMENTARY INFORMATION**

Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2022

| PHA: FL141 FYED: 09/30/2022 |  |              |   |                        |   |   |                              |  |           |                            |                                  |             |              |
|-----------------------------|--|--------------|---|------------------------|---|---|------------------------------|--|-----------|----------------------------|----------------------------------|-------------|--------------|
| Line Item No.               | Account Description  | BSA          | Section 8 Housing Choice Voucher Program 14.871 | Blended Component Unit | HOME Investment Partnerships Program 14.239 | Rural Rental Assistance Payments 10.427 | HCV CARES Act funding 14.HCC | Community Development Block Grant 14.225 | COCC      | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | Elimination | Total        |
| 111                         | Cash - Unrestricted  | -            | 214,354   | 30,924                 | 122,686                                     | 1,065,115                               | -                            | -  | 975,169   | 4,078                      | -                                | -           | 2,412,326    |
| 112                         | Cash - Restricted - Modernization and Development          | -            | -   | -                      | -   | -                                       | -                            | -  | -         | -                          | -                                | -           | -            |
| 113                         | Cash - Other Restricted                                    | 111,751      | -   | -                      | -   | 2,646,510                               | -                            | -  | -         | -                          | -                                | -           | 2,758,261    |
| 114                         | Cash - Tenant Security Deposits                            | 127,575      | -   | -                      | -   | 137,273                                 | -                            | -  | -         | -                          | -                                | -           | 264,848      |
| 115                         | Cash - Restricted for payment of current liability         | -            | -   | -                      | -   | -                                       | -                            | -  | -         | -                          | 120,482                          | -           | 120,482      |
| 100                         | Total Cash   | 239,326      | 214,354   | 30,924                 | 122,686                                     | 3,848,898                               | -                            | -  | 975,169   | 4,078                      | 120,482                          | -           | 5,555,917    |
| 121                         | Accounts Receivable - PHA Projects                         | -            | 40,080  | -                      | -   | -                                       | -                            | -  | -         | -                          | -                                | -           | 40,080       |
| 122                         | Accounts Receivable - HUD                                  | -            | 17,911  | -                      | -   | -                                       | -                            | -  | -         | 5,210                      | 84,485                           | -           | 107,606      |
| 124                         | Accounts Receivable - Other Government                     | -            | -   | -                      | -   | (882)                                   | -                            | -  | -         | -                          | -                                | -           | (882)        |
| 125                         | Accounts Receivable - Miscellaneous                        | -            | -   | -                      | -   | 94                                      | -                            | -  | 23,237    | -                          | -                                | -           | 23,331       |
| 126                         | Accounts Receivable - Tenants Dwelling Rents               | 246,933      | -   | -                      | -   | 278,988                                 | -                            | -  | -         | -                          | -                                | -           | 525,921      |
| 126.1                       | Allowance for Doubtful Accounts - Dwelling Rents           | (33,541)     | -   | -                      | -   | (2,972)                                 | -                            | -  | -         | -                          | -                                | -           | (36,513)     |
| 128                         | Fraud Recovery   | -            | 6,484   | -                      | -   | -                                       | -                            | -  | -         | -                          | -                                | -           | 6,484        |
| 128.1                       | Allowance for Doubtful Accounts - Fraud                    | -            | (6,484)   | -                      | -   | -                                       | -                            | -  | -         | -                          | -                                | -           | (6,484)      |
| 129                         | Accrued Interest Receivable                                | -            | -   | -                      | -   | 40                                      | -                            | -  | -         | -                          | -                                | -           | 40           |
| 120                         | Total Receivables, net of Allowances for Doubtful Accounts | 213,392      | 57,991  | -                      | -   | 275,268                                 | -                            | -  | 23,237    | 5,210                      | 84,485                           | -           | 659,583      |
| 132                         | Investments - restricted                                   | -            | -   | -                      | -   | 216,176                                 | -                            | -  | -         | -                          | -                                | -           | 216,176      |
| 142                         | Prepaid Expenses and Other Assets                          | 111,523      | 7,666   | -                      | 770   | 132,530                                 | -                            | -  | 15,340    | -                          | -                                | -           | 267,829      |
| 143                         | Inventories  | 45,151       | -   | -                      | -   | 23,641                                  | -                            | -  | -         | -                          | -                                | -           | 68,792       |
| 143.1                       | Allowance for Obsolete Inventories                         | (2,258)      | -   | -                      | -   | (1,182)                                 | -                            | -  | -         | -                          | -                                | -           | (3,440)      |
| 144                         | Interprogram due from                                      | -            | -   | -                      | -   | -                                       | -                            | -  | 1,771     | -                          | -                                | (1,771)     | -            |
| 150                         | Total Current Assets                                       | 607,134      | 280,011   | 30,924                 | 123,456                                     | 4,495,331                               | -                            | -  | 1,015,517 | 9,288                      | 204,967                          | (1,771)     | 6,764,857    |
| 161                         | Land   | 1,262,906    | -   | -                      | -   | 1,413,339                               | -                            | -  | -         | -                          | -                                | -           | 2,676,245    |
| 162                         | Buildings  | 15,827,822   | -   | -                      | -   | 22,741,008                              | -                            | -  | 258,538   | -                          | -                                | -           | 38,827,368   |
| 163                         | Furniture, Equipment & Machinery -Dwellings                | 81,780       | -   | -                      | -   | 454,377                                 | -                            | -  | -         | -                          | -                                | -           | 536,157      |
| 164                         | Furniture, Equipment & Machinery - Administration          | 359,698      | 141,304   | -                      | -   | 1,336,051                               | -                            | -  | 83,562    | -                          | -                                | -           | 1,920,615    |
| 166                         | Accumulated Depreciation                                   | (15,701,611) | (121,681)                                       | -                      | -   | (16,791,260)                            | -                            | -  | (47,698)  | -                          | -                                | -           | (32,662,250) |
| 167                         | Construction In Progress                                   | 554,417      | -   | -                      | -   | 382,694                                 | -                            | -  | 30,000    | -                          | -                                | -           | 967,111      |
| 168                         | Infrastructure   | 2,563,702    | -   | -                      | -   | 3,253,209                               | -                            | -  | -         | -                          | -                                | -           | 5,816,911    |
| 160                         | Total Fixed Assets, net of Accumulated Depreciation        | 4,948,714    | 19,623  | -                      | -   | 12,789,418                              | -                            | -  | 324,402   | -                          | -                                | -           | 18,082,157   |
| 180                         | Total Non-Current Assets                                   | 4,948,714    | 19,623  | -                      | -   | 12,789,418                              | -                            | -  | 324,402   | -                          | -                                | -           | 18,082,157   |
| 190                         | Total Assets   | 5,555,848    | 299,634   | 30,924                 | 123,456                                     | 17,284,749                              | -                            | -  | 1,339,919 | 9,288                      | 204,967                          | (1,771)     | 24,847,014   |
| 312                         | Accounts Payable <= 90 Days                                | 111,844      | 9,141   | -                      | 713   | 20,492                                  | -                            | -  | 55,020    | 7,497                      | 1,307                            | -           | 206,014      |
| 321                         | Accrued Wage/Payroll Taxes Payable                         | -            | -   | -                      | -   | -                                       | -                            | -  | 11,693    | -                          | -                                | -           | 11,693       |
| 322                         | Accrued Compensated Absences                               | 4,410        | 1,584   | -                      | -   | 3,689                                   | -                            | -  | 9,004     | -                          | -                                | -           | 18,687       |
| 325                         | Accrued Interest Payable                                   | 2,699        | -   | -                      | -   | 3,948                                   | -                            | -  | -         | -                          | -                                | -           | 6,647        |
| 341                         | Tenant Security Deposits                                   | 127,575      | -   | -                      | -   | 137,273                                 | -                            | -  | -         | -                          | -                                | -           | 264,848      |
| 342                         | Unearned Revenues  | 31,532       | 25,624  | -                      | 61,685                                      | 98,601                                  | -                            | -  | 201,935   | -                          | 136,500                          | -           | 555,877      |
| 343                         | Current Portion of Long-term Debt - Capital Projects       | 33,408       | -   | -                      | -   | 230,000                                 | -                            | -  | -         | -                          | -                                | -           | 263,408      |
| 345                         | Other Current Liabilities                                  | 166          | -   | -                      | -   | 377                                     | -                            | -  | -         | -                          | -                                | -           | 543          |
| 347                         | Interprogram Due To  | 1,771        | -   | -                      | -   | -                                       | -                            | -  | -         | -                          | -                                | (1,771)     | -            |
| 310                         | Total Current Liabilities                                  | 313,405      | 36,349  | -                      | 62,398                                      | 494,380                                 | -                            | -  | 277,652   | 7,497                      | 137,807                          | (1,771)     | 1,327,717    |

See independent auditor's report.

Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2022

| PHA: FL141 FYED: 09/30/2022 |   |           |   |                        |   |   |                              |  |           |                            |                                  |             |            |
|-----------------------------|---|-----------|---|------------------------|---|---|------------------------------|--|-----------|----------------------------|----------------------------------|-------------|------------|
| Line Item No.               | Account Description                               | BSA       | Section 8 Housing Choice Voucher Program 14.871 | Blended Component Unit | HOME Investment Partnerships Program 14.239 | Rural Rental Assistance Payments 10.427 | HCV CARES Act funding 14.HCC | Community Development Block Grant 14.225 | COCC      | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | Elimination | Total      |
| 351                         | Long-term Debt, net of Current - Capital Projects | 139,961   | -   | -                      | -   | 4,109,257                               | -                            | -  | -         | -                          | -                                | -           | 4,249,218  |
| 354                         | Accrued Compensated Absences - Non Current        | 36,990    | 14,259  | -                      | -   | 33,202                                  | -                            | -  | 81,034    | -                          | -                                | -           | 165,485    |
| 350                         | Total Noncurrent Liabilities                      | 176,951   | 14,259  | -                      | -   | 4,142,459                               | -                            | -  | 81,034    | -                          | -                                | -           | 4,414,703  |
| 300                         | Total Liabilities                                 | 490,356   | 50,608  | -                      | 62,398                                      | 4,636,839                               | -                            | -  | 358,686   | 7,497                      | 137,807                          | (1,771)     | 5,742,420  |
| 508.4                       | Net Investment in Capital Assets                  | 4,775,345 | 19,623  | -                      | -   | 8,450,161                               | -                            | -  | 324,402   | -                          | -                                | -           | 13,569,531 |
| 511.4                       | Restricted Net Position                           | 111,751   | -   | -                      | -   | 2,862,686                               | -                            | -  | -         | -                          | -                                | -           | 2,974,437  |
| 512.4                       | Unrestricted Net Position                         | 178,396   | 229,403   | 30,924                 | 61,058                                      | 1,335,063                               | -                            | -  | 656,831   | 1,791                      | 67,160                           | -           | 2,560,626  |
| 513                         | Total Equity                                      | 5,065,492 | 249,026   | 30,924                 | 61,058                                      | 12,647,910                              | -                            | -  | 981,233   | 1,791                      | 67,160                           | -           | 19,104,594 |
| 600                         | Total Liabilities and Equity                      | 5,555,848 | 299,634   | 30,924                 | 123,456                                     | 17,284,749                              | -                            | -  | 1,339,919 | 9,288                      | 204,967                          | (1,771)     | 24,847,014 |
| 70300                       | Net Tenant Rental Revenue                         | 2,128,544 | -   | -                      | -   | 1,381,755                               | -                            | -  | -         | -                          | -                                | -           | 3,510,299  |
| 70400                       | Tenant Revenue - Other                            | 8,973     | -   | -                      | -   | 4,430                                   | -                            | -  | -         | -                          | -                                | -           | 13,403     |
| 70500                       | Total Tenant Revenue                              | 2,137,517 | -   | -                      | -   | 1,386,185                               | -                            | -  | -         | -                          | -                                | -           | 3,523,702  |
| 70600                       | HUD PHA Grants                                    | -         | 4,461,543                                       | -                      | -   | -                                       | 57,038                       | -  | -         | 27,660                     | 270,041                          | -           | 4,816,282  |
| 70710                       | Management Fee                                    | -         | -   | -                      | -   | -                                       | -                            | -  | 538,590   | -                          | -                                | (538,590)   | -          |
| 70720                       | Asset Management Fee                              | -         | -   | -                      | -   | -                                       | -                            | -  | 36,112    | -                          | -                                | (36,112)    | -          |
| 70800                       | Other Government Grants                           | -         | -   | -                      | 26,420                                      | 642,218                                 | -                            | 435,150                                  | -         | -                          | -                                | -           | 1,103,788  |
| 71100                       | Investment Income - Unrestricted                  | -         | -   | -                      | -   | -                                       | -                            | -  | -         | 11                         | -                                | -           | 11         |
| 71400                       | Fraud recovery                                    | -         | 11,210  | -                      | -   | -                                       | -                            | -  | -         | -                          | -                                | -           | 11,210     |
| 71500                       | Other revenue                                     | 19,165    | 424,863   | -                      | -   | 4,247                                   | -                            | -  | 667,531   | -                          | -                                | -           | 1,115,806  |
| 72000                       | Investment Income - Restricted                    | -         | -   | -                      | -   | 14,028                                  | -                            | -  | -         | -                          | -                                | -           | 14,028     |
| 70000                       | Total Revenue                                     | 2,156,682 | 4,897,616                                       | -                      | 26,420                                      | 2,046,678                               | 57,038                       | 435,150                                  | 1,242,233 | 27,671                     | 270,041                          | (574,702)   | 10,584,827 |
| 91100                       | Administrative Salaries                           | 141,521   | 58,011  | -                      | 5,238                                       | 115,835                                 | 52,750                       | -  | 359,954   | -                          | -                                | -           | 733,309    |
| 91200                       | Auditing Fees                                     | 7,137     | 2,832   | -                      | -   | 7,112                                   | -                            | -  | 3,230     | -                          | -                                | -           | 20,311     |
| 91300                       | Management Fee                                    | 219,264   | -   | -                      | -   | 216,960                                 | -                            | -  | -         | 2,789                      | 8,912                            | (447,925)   | -          |
| 91310                       | Book-keeping Fee                                  | -         | 36,112  | -                      | -   | -                                       | -                            | -  | -         | -                          | -                                | (36,112)    | -          |
| 91400                       | Marketing and Advertising Fees                    | 5,336     | 81  | -                      | -   | -                                       | -                            | -  | 11        | -                          | -                                | -           | 5,428      |
| 91500                       | Employee Benefit Contributions - Administrative   | 44,893    | 37,348  | -                      | 433   | 46,333                                  | 4,288                        | -  | 92,654    | -                          | -                                | -           | 225,949    |
| 91600                       | Office Expenses                                   | 29,165    | 68,487  | -                      | 1,108                                       | 24,289                                  | -                            | -  | 30,899    | -                          | -                                | -           | 153,948    |
| 91700                       | Legal Expenses                                    | 4,896     | -   | -                      | -   | -                                       | -                            | -  | 10,025    | -                          | -                                | -           | 14,921     |
| 91800                       | Travel  | 487       | 1,030   | -                      | -   | -                                       | -                            | -  | 3,086     | -                          | -                                | -           | 4,603      |
| 91900                       | Other   | 49,373    | 51,176  | 62                     | 137   | 23,419                                  | -                            | -  | 80,525    | 30                         | -                                | 1           | 204,723    |

See independent auditor's report.

Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2022

| PHA: FL141 FYED: 09/30/2022 |   |           |   |                        |   |   |                              |  |         |                            |                                  |             |           |
|-----------------------------|---|-----------|---|------------------------|---|---|------------------------------|--|---------|----------------------------|----------------------------------|-------------|-----------|
| Line Item No.               | Account Description                                   | BSA       | Section 8 Housing Choice Voucher Program 14.871 | Blended Component Unit | HOME Investment Partnerships Program 14.239 | Rural Rental Assistance Payments 10.427 | HCV CARES Act funding 14.HCC | Community Development Block Grant 14.225 | COCC    | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | Elimination | Total     |
| 92000                       | Asset Management fee                                  | -         | 90,666  | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | (90,666)    | -         |
| 93100                       | Water   | 20,140    | -   | -                      | -   | 4,289                                   | -                            | -  | 80,839  | -                          | 749                              | -           | 106,017   |
| 93200                       | Electricity   | 69,051    | 2,782   | -                      | -   | 31,363                                  | -                            | -  | 74,218  | -                          | 200                              | -           | 177,614   |
| 93300                       | Gas   | 3,504     | -   | -                      | -   | -                                       | -                            | -  | 20,484  | -                          | -                                | -           | 23,988    |
| 94100                       | Ordinary Maintenance and Operations - Labor           | 147,305   | -   | -                      | -   | 171,075                                 | -                            | -  | 3,680   | -                          | -                                | -           | 322,060   |
| 94200                       | OMO - Materials and Other                             | 98,173    | -   | -                      | -   | 100,778                                 | -                            | -  | 8,491   | -                          | -                                | -           | 207,442   |
| 94300                       | Ordinary Maintenance and Operations - Contract Costs  | 197,011   | 11,819  | -                      | -   | 207,321                                 | -                            | -  | 5,891   | -                          | -                                | -           | 422,042   |
| 94500                       | Employee Benefit Contributions - Ordinary Maintenance | 73,924    | -   | -                      | -   | 85,194                                  | -                            | -  | 2,073   | -                          | -                                | -           | 161,191   |
| 95300                       | Protective Services - Other                           | 38,193    | 2,305   | -                      | -   | 7,550                                   | -                            | -  | 1,725   | -                          | -                                | -           | 49,773    |
| 96110                       | Property Insurance                                    | 123,874   | -   | -                      | -   | 162,324                                 | -                            | -  | 3,340   | -                          | -                                | -           | 289,538   |
| 96120                       | Liability Insurance                                   | 40,325    | -   | -                      | -   | 43,823                                  | -                            | -  | 3,728   | -                          | -                                | -           | 87,876    |
| 96130                       | Workmen's Compensation                                | 12,565    | 3,911   | -                      | -   | 13,313                                  | -                            | -  | 6,824   | -                          | -                                | -           | 36,613    |
| 96140                       | All Other Insurance                                   | 2,052     | 6,687   | -                      | -   | 2,570                                   | -                            | -  | 826     | -                          | -                                | -           | 12,135    |
| 96200                       | Other General Expenses                                | 990       | 5,353   | -                      | -   | 3,960                                   | -                            | -  | 1,200   | -                          | -                                | -           | 11,503    |
| 96210                       | Compensated Absences                                  | 19,903    | 9,168   | -                      | -   | 37,004                                  | -                            | -  | 51,015  | -                          | -                                | -           | 117,090   |
| 96300                       | Payments in Lieu of Taxes                             | 3,000     | -   | -                      | -   | -                                       | -                            | -  | 3,150   | -                          | -                                | -           | 6,150     |
| 96400                       | Bad Debt - Tenant Rents                               | 14,594    | 2,431   | -                      | -   | 9,500                                   | -                            | -  | -       | -                          | -                                | -           | 26,525    |
| 96600                       | Bad Debt - Other                                      | -         | -   | -                      | -   | 46,809                                  | -                            | -  | -       | -                          | -                                | -           | 46,809    |
| 96720                       | Interest on Notes Payable (Short and Long-Term)       | 6,416     | -   | -                      | -   | 45,120                                  | -                            | -  | -       | -                          | -                                | -           | 51,536    |
| 96900                       | Total Operating Expenses                              | 1,373,092 | 390,199   | 62                     | 6,916                                       | 1,405,941                               | 57,038                       | -  | 847,868 | 2,819                      | 9,861                            | (574,702)   | 3,519,094 |
| 97000                       | Excess Operating Revenue over Operating Expenses      | 783,590   | 4,507,417                                       | (62)                   | 19,504                                      | 640,737                                 | -                            | 435,150                                  | 394,365 | 24,852                     | 260,180                          | -           | 7,065,733 |
| 97300                       | Housing Assistance Payments                           | -         | 4,028,875                                       | -                      | 56,638                                      | -                                       | -                            | -  | -       | 114,420                    | 426,442                          | -           | 4,626,375 |
| 97350                       | HAP Portability-In                                    | -         | 394,733   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | 394,733   |
| 97400                       | Depreciation Expense                                  | 378,944   | 9,622   | -                      | -   | 447,531                                 | -                            | -  | 18,152  | -                          | -                                | -           | 854,249   |
| 90000                       | Total Expenses  | 1,752,036 | 4,823,429                                       | 62                     | 63,554                                      | 1,853,472                               | 57,038                       | -  | 866,020 | 117,239                    | 436,303                          | (574,702)   | 9,394,451 |

See independent auditor's report.

Collier County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended September 30 , 2022

| PHA: FL141 FYED: 09/30/2022 |  |           |   |                        |   |   |                              |  |         |                            |                                  |             |            |
|-----------------------------|--|-----------|---|------------------------|---|---|------------------------------|--|---------|----------------------------|----------------------------------|-------------|------------|
| Line Item No.               | Account Description  | BSA       | Section 8 Housing Choice Voucher Program 14.871 | Blended Component Unit | HOME Investment Partnerships Program 14.239 | Rural Rental Assistance Payments 10.427 | HCV CARES Act funding 14.HCC | Community Development Block Grant 14.225 | COCC    | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | Elimination | Total      |
| 10000                       | Excess (deficiency) of total revenue over (under) total expenses   | 404,646   | 74,187  | (62)                   | (37,134)                                    | 193,206                                 | -                            | 435,150                                  | 376,213 | (89,568)                   | (166,262)                        | -           | 1,190,376  |
| 11030                       | Beginning Equity   | 4,262,829 | 174,839   | 30,986                 | 61,059                                      | 12,454,704                              | -                            | -  | 605,020 | 91,359                     | 233,422                          | -           | 17,914,218 |
| 11040                       | Prior Period Adjustments, Equity Transfer and Correction of Errors | 398,017   | -   | -                      | 37,133                                      | -                                       | -                            | (435,150)                                | -       | -                          | -                                | -           | -          |
| 11040.1                     | Transfer HOME revenue to CDBG                                      | -         | -   | -                      | 37,133                                      | -                                       | -                            | (37,133)                                 | -       | -                          | -                                | -           | -          |
| 11040.2                     | Transfer Fixed Assets to BSA from CDBG program                     | 398,017   | -   | -                      | -   | -                                       | -                            | (398,017)                                | -       | -                          | -                                | -           | -          |
| 11170                       | Administrative Fee Equity  | 4,953,741 | 249,026   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | 5,202,767  |
| 11180                       | Housing Assistance Payments Equity                                 | 111,751   | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | 111,751    |
| 11190                       | Unit Months Available  | -         | 5,592   | -                      | -   | 3,780                                   | -                            | -  | -       | 147                        | 488                              | -           | 10,007     |
| 11210                       | Number of Unit Months Leased                                       | 4,445     | 5,256   | -                      | -   | 3,468                                   | -                            | -  | -       | 147                        | 488                              | -           | 13,804     |
| 11270                       | Excess Cash  | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 11610                       | Land Purchases   | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 11620                       | Building Purchases   | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 11630                       | Furniture and Equipment - Dwelling Purchases                       | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 11640                       | Furniture and Equipment - Administration Purchases                 | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 11650                       | Leasehold Improvement Purchases                                    | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 11660                       | Infrastructure Purchases   | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 13510                       | CFFP Debt Service Payments   | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |
| 13901                       | Replacement Housing Factor Funds                                   | -         | -   | -                      | -   | -                                       | -                            | -  | -       | -                          | -                                | -           | -          |

See independent auditor's report.



Collier County Housing Authority

Schedule of CARES Act Fund Programs Costs and Advances

For the year ended September 30, 2022

| <b>PROGRAM</b>                             | <b>14.HCC</b>     |
|--|-------------------|
| <b>BUDGET</b>                              | <u>\$ 223,032</u> |
| <b>ADVANCES</b>                            |                   |
| Prior years                                | \$ 223,032        |
| Current year                               | <u>-</u>          |
| Cumulative as of September 30, 2022        | <u>223,032</u>    |
| <b>COSTS</b>                               |                   |
| Prior years                                | 165,994           |
| Current year                               | <u>57,038</u>     |
| Cumulative as of September 30, 2022        | <u>223,032</u>    |
| <b>UNSPENT ADVANCES (UNEARNED REVENUE)</b> | <u>\$ -</u>       |

See independent auditor's report.

## Collier County Housing Authority

### FARM WORKER SUBSIDIZED HOUSING PROGRAM - UNAUDITED

For the year ended September 30, 2022

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

1. **Exemption from Real Estate and Income Taxes** - The Authority is a public body corporate and politic pursuant to Chapter 421, Laws of the State of Florida, which is subsidized by the federal government. The Authority is not subject to federal, state income taxes, or local property taxes, nor is it required to file federal and state income tax returns as a public body corporate and politic pursuant to Chapter 423, Laws of the State of Florida Laws of the State of Florida.
2. **Reserves** - The Housing Authority has maintained reserves for operations and Bond debt service at September 30, 2022. See also Notes to Financial Statements for additional information.
3. **Accounting Records and Fixed Asset Control** - The accounting records maintained are adequate to facilitate budgetary reporting and analytical purposes. The fixed assets are also adequately safeguarded by the Authority personnel.
4. **Financial Reports** - The financial reports included in this audit are in agreement with the accounting records of the Authority after audit adjustments have been made.
5. **Deposit Funds** - We noted that deposit funds are adequately insured by the FDIC and properly collateralized and are at or exceed the reserve levels required under the Loan and Grant Agreement as of September 30, 2022.
6. **Comments on Compliance and Administrative Internal Control** - We have audited the basic financial statements of the Collier County Housing Authority and have issued our report thereon dated February 24, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Finally, we have also issued a report on the Authority's compliance with the types of compliance requirements described in the *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

7. **Other Findings or Recommendations for the Period Ended September 30, 2022** - See the schedule of findings and questioned costs where we did not identify any findings. Furthermore, no recommendations were identified in a separate letter.

Collier County Housing Authority

FARM WORKER SUBSIDIZED HOUSING PROGRAM - UNAUDITED (continued)

For the year ended September 30, 2022

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

- 8. **The Required Schedule of Expenditures of Federal Awards** along with required reports on Internal Controls and Federal Compliance as outlined under Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* were issued to the Authority as one report, as mandated by the Amended Single Audit Act of 1996 Amendment (Public Law 104-156).
- 9. **Accounts Receivable-Tenants** - Tenants accounts receivable at September 30, 2022 totaling \$73,358 were accounts aged at ninety days (90) or less.
- 10. **Accounts Payable** consists of \$20,492 at September 30, 2022. This balance which is payable to recurring vendors is for services or purchases of ninety days (90) or less.
- 11. **Management Fees** - The Collier County Housing Authority is the owner of the Farm Worker Subsidized Housing Program. Management fees of \$216,960 were charged by the COCC.
- 12. **Schedule and Computation of Current Return to Owners Allowed** - Not Applicable, because the Authority is a legal public Authority and not a private enterprise.
- 13. **Schedule of Changes in Owners and Board of Commissioners** - This is a local Public Authority and can never change its owners. The following is a list of the current Board of Commissioners.

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

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

**Collier County Housing Authority**

**FARM WORKER SUBSIDIZED HOUSING PROGRAM - UNAUDITED (continued)**

**For the year ended September 30, 2022**

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

**14. Schedule of Rental Information**

| <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                     | \$ 530             | 12            | \$ 209,880                  |
| Two bedroom unit   | 111                    | \$ 595             | 12            | 792,540                     |
| Three bedroom unit | 102                    | \$ 630             | 12            | 771,120                     |
| Four bedroom unit  | 69                     | \$ 655             | 12            | 542,340                     |
|                    | <u>315</u>             |                    |               | <u>\$ 2,315,880</u>         |

| <u>Actual Rental Revenue</u>  | <u>Percentage</u> | <u>Amount</u>       |
|-------------------------------|-------------------|---------------------|
| Tenants                       | 68.27%            | \$ 1,381,755        |
| RHA rental assistance subsidy | 31.73%            | 642,218             |
|                               |                   | <u>\$ 2,023,973</u> |

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

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

**Collier County Housing Authority**  
**CERTIFICATE OF BORROWER - UNAUDITED**  
**For the year ended September 30, 2022**



February 24, 2023

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

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

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

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

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

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

  N/A   not paid during the reporting year; OR

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

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

**Collier County Housing Authority**

**CERTIFICATE OF BORROWER - UNAUDITED**

**For the year ended September 30, 2022**

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

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

7. All financial records are adequate and suitable for examination.

8. There have been no changes in the ownership of the **Farm Worker Subsidized Housing Program**, other than those approved by the Agency and identified in the certification. The Board of Commissioners is active and maintains oversight responsibilities for the project.

9. Exemptions from Real Estate and Income Taxes: The Authority is a public body corporate and politic pursuant to Chapter 421, Laws of the State of Florida, which is subsidized by the Federal Government. The Authority is not subject to Federal, State income taxes, or Local property taxes, nor is it required to file Federal and State income tax returns as a public body corporate and politic pursuant to Chapter 423, Laws of the State of Florida.

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



Oscar Hentschel

February 24, 2023

Collier County Housing Authority

**SINGLE AUDIT AND COMPLIANCE INFORMATION**

**Collier County Housing Authority**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended September 30, 2022**

| Federal Grantor/Pass-Through Grantor/<br>Program or Cluster Title | Assistance<br>Listing<br>Number<br>(AL No.) |                | <u>Expenditures</u>         |
|---|---|----------------|-----------------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>           |   |                |                             |
| HOME  | 14.239                                      |                | \$ 26,420                   |
| Housing Voucher Cluster:  |   |                |                             |
| Section 8 Housing Choice Voucher Program                          | 14.871                                      | \$ 4,461,543   |                             |
| COVID-19 Housing Choice Voucher Program                           | 14.871                                      | 57,038         |                             |
| Mainstream Voucher Program  | 14.879                                      | 27,660         |                             |
| Emergency Housing Voucher Program                                 | 14.871                                      | <u>270,041</u> |                             |
| Subtotal Housing Voucher Cluster                                  |   |                | 4,816,282                   |
| <i>FEDERAL AWARDS PASSED THROUGH COLLIER COUNTY</i>               |   |                |                             |
| Community Development Block Grant                                 | 14.225                                      |                | 435,150                     |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                             |   |                |                             |
| Farm Labor Housing Loans and Grants                               | 10.405                                      |                | 4,339,257                   |
| Rural Rental Assistance Program                                   | 10.427                                      |                | <u>642,218</u>              |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                       |   |                | <u><u>\$ 10,259,327</u></u> |

**NOTE A - BASIS OF PRESENTATION**

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

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

See independent auditor's report.



**Collier County Housing Authority**

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

**For the year ended September 30, 2022**

**NOTE B - INDIRECT COST RATE**

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

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

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

**NOTE D - NONCASH FEDERAL ASSISTANCE**

The Authority has received noncash Federal assistance in the form of the Farm Labor Housing Loan in the amount of \$4,339,257 as of the year ended September 30, 2022.

**NOTE E - SUB-RECIPIENTS**

During the year ended September 30, 2022, the Authority had no sub-recipients.

See independent auditor's report.



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

Board of Commissioners  
Collier County Housing Authority  
Immokalee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Collier County Housing Authority (the “Authority”), as of and for the year ended September 30, 2022, 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 24, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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. 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 or significant deficiencies may exist that were not identified.

## **Report on 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 financial statements

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

February 24, 2023  
Melbourne, Florida

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



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

Board of Commissioners  
Collier County Housing Authority  
Immokalee, Florida

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Collier County Housing Authority (the "Authority")'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2022.

***Basis for Opinion on the Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

February 24, 2023  
Melbourne, Florida

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

Collier County Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness identified? **No**

Significant deficiency identified? **None reported**

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

Federal Awards

Internal control over major program:

Material weakness identified? **No**

Significant deficiency identified? **None reported**

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

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

The programs tested as a major program is as follows:

Housing Voucher Cluster:

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

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

**None.**

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

**None.**

D. SUMMARY OF PRIOR YEAR FINDINGS

**None.**