

**PINELLAS COUNTY
HOUSING AUTHORITY**

**Basic
Financial Statements
and Supplementary
Information**

December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Pinellas County Housing Authority
Pinellas County, Florida

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Pinellas County Housing Authority (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to the basic 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 financial position of the Authority's business-type activities and the aggregate discretely presented component units as of December 31, 2023, and the 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.

Change in Accounting Principle

As described in Note A-xx to the financial statements, in 2023 the Authority adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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.

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 within 12 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 opinion. 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 management's discussion and analysis and the schedules of changes in proportional share of net pension liability and contributions - last ten fiscal years, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The accompanying financial data schedule and schedule of capital fund program costs and advances are presented for purposes of additional analysis as required by U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements of the Authority. The accompanying 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*, 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, financial data schedule, the schedule of capital fund program 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2024 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.

September 17, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Pinellas County Housing Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)

December 31, 2023

Pinellas County Housing Authority (the "Authority") offers the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

This financial report is designed to provide our residents, the citizens of Pinellas County, Florida, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances and program compliance.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources by \$49,221,220 (net position).
- The Authority's total cash and cash equivalents as of December 31, 2023 and 2022 are \$20,515,570 and \$20,481,317 respectively, representing an increase of \$34,253.
- The Authority received revenue from HUD of \$44,526,633 for fiscal year 2023, which includes funds for capital asset activities.
- Public Housing maintained occupancy of 95.7% for the fiscal year.

Overview of Financial Statements

The financial statements included in this annual report are those of a special-purpose governmental agency 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 the entity's financial health. 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 changes, and the physical condition of capital assets. The following statements are included:

- **Statement of Net Position** - this statement 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 the Authority's rights (assets and deferred outflows of resources) and the Authority's obligations (liabilities and deferred inflows of resources).
- **Statement of Revenues, Expenses, and Changes in Net Position** - this statement 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 future periods.

Overview of Financial Statements (continued)

- **Statement of Cash Flows** - this statement 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. accounts receivable, notes receivable, etc.).
- **Notes to the Basic Financial Statements** - notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided. These notes provide 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 supplementary information. This information provides more detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

The Authority's Programs

Low Rent Public Housing - under this program, the Authority rents units that it owns to low-income households. The Low Rent Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the Authority to provide housing to Public Housing eligible families at a rental rate that is based upon 30% of household income, adjusted for family composition and certain allowances.

Public Housing Capital Fund Program - this program is the primary funding source for physical improvements to the Authority's public housing properties.

Housing Choice Voucher (HCV) Program and Veterans Affairs Supportive Housing (VASH) - the Authority administers contracts with independent landlords and private property owners. Landlords and property owners enter into Housing Assistance Payment contracts with the Authority. The Authority then subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to approve market rate leases, with the participants' portion of rent set at 30% of household income, adjusted for family composition and certain allowances.

The Emergency Housing Voucher (EHV) program - this is a tenant-based rental assistance program funded by the American Rescue Plan Act (ARPA). Emergency Housing Vouchers are to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, or having high risk of housing instability.

The Mainstream Voucher program - this is a tenant-based rental assistance program funded by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These vouchers will serve non-elderly person (s) with disabilities impacted by the COVID-19 pandemic.

The Authority's Programs (continued)

New Construction Section 8 Program - Norton Apartments is a multifamily community consisting of 48 units. All units are subsidized by HUD under a project-based Housing Assistance Payments contract.

Family Self-Sufficiency ("FSS") - is a program that provides funds for a coordinator to assist residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

Central Office Cost Center ("COCC") - is a business unit within the Authority that generates revenue from fees for service and other business activities. The COCC consists of activities funded through these revenue sources.

Business Activities

The Authority owns and operates the following as Business Activities:

- East Lake Club Apartments, a 240 unit affordable apartment complex in Oldsmar, Florida
- Redwood Apartments, a 10 unit facility in unincorporated Pinellas County
- Palms of Pinellas, a 92 unit facility in which 55 units are FMV and the other 37 units are affordable located in unincorporated Pinellas County
- One parcel of land for future development: a parcel in Largo contiguous to the Authority's administrative office
- Cost center for the Corporate Office
- Affordable housing property management

In addition, the revolving bank account is recognized under business activities.

Blended Component Units

Blended component units consist of the following entities (see Note A-1):

- ***Pinellas County Housing and Economic Development Corporation*** - a Florida not for profit 501(c)(3) corporation that wholly owns Pinellas Heights, LLC and Landings at Cross Bayou, LLC.
 - ***Pinellas Heights, LLC*** - the General Partner for Pinellas Heights, LLLP (a discrete component unit), a mixed finance development entity for a property of 153 senior apartments consisting of 21 public housing units and 132 affordable project based voucher units. Construction completion was in April of 2014.
 - ***Landings at Cross Bayou, LLC*** - the General Partner for Landings at Cross Bayou, LLLP (a discrete component unit), a mixed finance development entity for a property of 184 family apartments (formerly known as French Villas and a Rental Assistance Demonstration project) consisting of 184 affordable project based voucher units. Construction completion was in April of 2015.
- ***Heritage Oaks, LLC*** - a development entity for the first phase of the complete redevelopment of Rainbow Village.
- ***Grand Oaks, LLC*** - one of the General Partners of Grand Oaks Apartments, LLLP.
- ***PCHA Lakeside Terrace, LLC*** - a RAD converted public housing property.

The Authority's Programs (continued)

Blended Component Units (continued)

- **PCHA Development, LLC** - a development entity that will receive development fees and other capital management fees for future projects.
- **Pinellas Property Management Company** - a Florida not for profit 501(c)(3) corporation that was incorporated to engage in all aspects of property management services for property owned and/or operated by the Pinellas County Housing Authority, and to provide the same services for other third party owned and /or operated facilities.
- **PCHA Mills, Inc** - a Florida not for profit corporation created to build affordable units in line with the Authority's mission.
- **Palm Lake Village Housing Corporation** - incorporated on July 7, 1986, consists of the following:
 - Palm Lake Village - 475 one and two bedroom affordable apartments for residents age 55 and older.
 - Crystal Lakes Manor - 236 one and two bedroom affordable apartments for residents age 55 and older.
 - Magnolia Gardens Assisted Living Facility - 100 studio, one and two bedroom apartments that provide affordable assisted living to residents age 60 and older.

Financial Analysis

Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>Net change</u>
Current assets	\$ 24,481,558	\$ 23,449,174	\$ 1,032,384
Capital assets, net	51,172,144	50,705,473	466,671
Other noncurrent assets	19,229,834	17,070,138	2,159,696
Total assets	94,883,536	91,224,785	3,658,751
Deferred outflows of resources	1,456,878	1,787,292	(330,414)
Current liabilities	10,404,602	3,918,157	6,486,445
Long-term debt	30,765,272	36,810,793	(6,045,521)
Other noncurrent liabilities	5,275,567	4,648,835	626,732
Total liabilities	46,445,441	45,377,785	1,067,656
Deferred inflows of resources	673,753	498,980	174,773
Net investment in capital assets	11,614,085	11,886,359	(272,274)
Restricted	14,915,220	13,999,024	916,196
Unrestricted	22,691,915	21,249,929	1,441,986
Total net position	<u>\$ 49,221,220</u>	<u>\$ 47,135,312</u>	<u>\$ 2,085,908</u>

Current Assets increased by \$1,032,384 primarily due to the increase in amounts due from HUD of \$946,638.

Net Capital Assets increased by \$466,671 due to current year purchased additions of \$3,737,102 composed mostly of land and the addition of new leased vehicles of \$75,480 and new leased software of \$620,549 offset by current year depreciation of \$3,947,219 and the removal of partially amortized leased vehicles with a net value of \$19,241.

Financial Analysis (continued)

Other Noncurrent Assets increased by \$2,159,696 primarily due to increases in notes receivable for accrued interest and new advances for Valor Preserve.

Total Liabilities increased by \$1,067,656 primarily due to new long-term debt and new lease payables for vehicles and software offset by principal payments on long-term debt.

Net Position - The difference between an organization's assets and deferred outflows and its liabilities and deferred inflows is its net position. Net position is categorized as one of three types.

1. Net investment in capital assets - the Authority's capital assets, net of accumulated depreciation and related debt.
2. Restricted - the Authority's net position which is subject to constraints imposed by law or agreement.
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.

Financial Analysis (continued)

	<u>Changes in Net Position</u>		
	<u>2023</u>	<u>2022</u>	<u>Net change</u>
Operating revenue			
HUD revenue	\$ 44,492,124	\$ 36,783,024	\$ 7,709,100
Tenant revenue, net	16,446,590	14,198,231	2,248,359
Other grant revenue	-	410,384	(410,384)
Other operating revenue	3,120,292	590,328	2,529,964
Total operating revenue	<u>64,059,006</u>	<u>51,981,967</u>	<u>12,077,039</u>
Operating expenses			
Administrative	6,827,625	5,495,541	1,332,084
Tenant services	1,730,385	1,722,374	8,011
Utilities	2,101,653	2,010,941	90,712
Maintenance	5,662,543	4,814,958	847,585
Protective services	239,404	203,456	35,948
General	2,948,699	1,968,225	980,474
Depreciation	3,947,219	3,793,713	153,506
Housing assistance payments	38,658,710	30,715,091	7,943,619
Total operating expenses	<u>62,116,238</u>	<u>50,724,299</u>	<u>11,391,939</u>
Operating income	<u>1,942,768</u>	<u>1,257,668</u>	<u>685,100</u>
Non operating revenues (expenses)			
Interest income	1,662,609	626,733	1,035,876
Change in swap agreements	(126,476)	1,989,733	(2,116,209)
Interest expense	(1,427,502)	(1,432,960)	5,458
Total non operating revenues (expenses)	<u>108,631</u>	<u>1,183,506</u>	<u>(1,074,875)</u>
Change in net position before capital contributions	2,051,399	2,441,174	(389,775)
Capital contributions			
HUD capital grants	34,509	81,264	(46,755)
Change in net position	<u>2,085,908</u>	<u>2,522,438</u>	<u>(436,530)</u>
Total net position - beginning	<u>47,135,312</u>	<u>44,612,874</u>	<u>2,522,438</u>
Total net position - ending	<u>\$ 49,221,220</u>	<u>\$ 47,135,312</u>	<u>\$ 2,085,908</u>

Total Operating Revenue increased by \$12,042,039 primarily from an approximately \$7.7 million increase in the Housing Voucher Cluster, which includes Housing Choice Voucher, Emergency Housing Voucher, and Mainstream Voucher programs. This increase is due to increases in market rent rates and voucher utilization across all three programs. In addition, tenant revenue increased by approximately \$2.2 million due to market rent rate increases and increased occupancy in many of the Authority's non-subsidized low-income apartments. Other operating revenue increased primarily from the recognition of lease revenue for Lake Seminole of approximately \$1.8 million.

Financial Analysis (continued)

Total Operating Expenses increased by \$11,356,939 during 2023 as compared to 2022. This increase was primarily due to the rise in fair market rent and its impact on payment standards which affect the housing assistance payments and an increase in administrative expenses, maintenance expenses and insurance costs. Administrative expenses increased primarily due to salary and benefit increases for additional staffing and software conversion cost. Maintenance expenses increased primarily due to inflation costs of materials, increased salary and benefit costs, and unit turn costs for Rainbow Village.

Non Operating Revenues net of Non Operating Expenses decreased by \$1,074,875 primarily due to the change in swap agreements offset by an increase in interest income.

Capital Asset and Debt Activity

At the end of fiscal year 2023, the Authority's net capital assets increased by \$466,671 over the prior year. The net change was due to current year purchased additions of \$3,737,102, the addition of new leased vehicles of \$75,480, and the addition of new leased software of \$620,549. These decreases were offset by current year depreciation of \$3,947,219 and the removal of partially amortized leased vehicles with a net value of \$19,241 (see Note B-5).

At the end of the fiscal year 2023, the Authority had debt of \$38,643,288 which is comprised of \$30,765,272 in long-term debt and \$7,878,016 as the current portion of long-term debt. Principal payments of \$1,517,872 were made during the current year and new debt totaling \$1,800,000 was obtained (see Note B-8).

Factors Affecting Next Year's Budget

Federal Budget and Appropriations: The Authority has Annual Contributions Contracts with HUD for the funding of the Low Rent Public Housing, Section 8 Housing Choice Voucher, Veterans Affairs Supportive Housing, and Public Housing Capital Fund programs; therefore, the Authority is affected more by the Federal budget than by local economic conditions for the operation of these programs. The current funding levels are anticipated to remain for fiscal year 2024.

Economic Factors: In addition to the above, other significant economic factors affecting the Authority are as follows:

- Local inflationary, recessionary and employment trends, which can affect resident incomes and subsequently the amount of rental income;
- Inflationary pressure on utility rates, housing costs, supplies and other costs; and
- Federal funding provided by Congress to the U.S. Department of Housing and Urban Development.

Conclusion

The Authority continues to operate a diverse housing portfolio to provide revenue not dependent on Federal sources. The Authority's management is committed to staying abreast of regulations and appropriations as well as performing ongoing analysis of budgets, expenses and program compliance to assure the Authority continues to operate at the highest standards and degree of integrity.

Conclusion (continued)

The Authority desires to reposition its public housing units to allow for greater flexibility in providing affordable housing to low income individuals and families. This will lessen the Authority's dependence upon HUD while providing the Authority greater ability to meet local housing needs.

As part of the Authority's desire to reposition its public housing stock, the Authority commissioned a Master Plan for the redevelopment of the Authority's Rainbow Village public housing development with resident and community input. The Master Plan calls for the increase in the number of affordable units on the Rainbow Village site, using a mixed-finance and mixed-income approach. In 2021, the Authority was approved for 9% tax credit under Low Income Housing Tax Credit ("LIHTC") for Heritage Oaks which would give the Authority the ability to demolish 48 units and build 80 units for seniors. HUD approved the disposition for the 48 units during 2023.

In 2023, the Authority was approved for 9% tax credit under LIHTC for Ridgecrest Oaks which would give the Authority the ability to demolish 27 units and build 80 units for seniors. As of the date of this report, the Authority is waiting on the HUD approval of the disposition of these units before construction can begin.

During 2022, the Authority began construction on Valor Preserve, a 9% tax credit under LIHTC, which was completed in July 2024.

The Authority will continue to deliver quality service to its customers and will strive to continue to increase the availability of quality affordable housing for eligible individuals and families. In addition, the Authority will continue to search for opportunities to increase revenues through outsourcing, create joint-ventures where possible, increase resident employment and self-sufficiency, reduce dependency on federal funding and develop cost saving opportunities.

Requests for Information

This financial report is designed to provide our residents, the citizens of Pinellas County, Florida, all Federal and State regulatory bodies, and any creditors with an overview of the Authority's finances. If you have questions regarding these financial statements or supplemental information, they should be addressed to Neil Thompson, Chief Financial Officer, 11479 Ulmerton Road, Largo, FL 33778.

Pinellas County Housing Authority

STATEMENTS OF NET POSITION

December 31, 2023

	<u>Primary government</u>	<u>Discrete component units</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 18,243,319	\$ 724,910
Cash and cash equivalents - restricted	2,215,119	2,094,823
Receivables, net	2,640,523	31,458
Prepaid expenses	1,382,597	206,189
Inventory, net	-	16,892
Total current assets	<u>24,481,558</u>	<u>3,074,272</u>
NONCURRENT ASSETS		
Cash and cash equivalents - restricted	57,132	-
Notes receivable and accrued interest - restricted	13,278,515	-
Notes receivable and accrued interest - unrestricted	5,521,938	-
Capital assets, net	51,172,144	50,085,198
Intangible assets, net	366,353	-
Other noncurrent assets	<u>5,896</u>	<u>-</u>
Total noncurrent assets	<u>70,401,978</u>	<u>50,085,198</u>
Total assets	<u>94,883,536</u>	<u>53,159,470</u>
DEFERRED OUTFLOWS OF RESOURCES		
Interest rate swap agreements	379,527	-
Defined benefit pension plan	<u>1,077,351</u>	<u>-</u>
Total deferred outflows of resources	<u>\$ 1,456,878</u>	<u>\$ -</u>

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

Pinellas County Housing Authority

STATEMENTS OF NET POSITION (continued)

December 31, 2023

	<u>Primary government</u>	<u>Discrete component units</u>
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 7,878,016	\$ 7,092,320
Lease payable - current portion	69,181	5,403
Subscription agreement payable - current portion	219,381	-
Accrued liabilities	1,282,007	2,625,766
Unearned revenue	35,578	3,303
Payments in lieu of taxes	221,856	-
Tenant security deposits	536,236	61,436
Family self-sufficiency escrow	42,178	-
Accrued interest payable	120,169	4,641,988
Total current liabilities	<u>10,404,602</u>	<u>14,430,216</u>
NONCURRENT LIABILITIES		
Long-term debt, net	30,765,272	25,228,430
Lease payable, net	341,315	1,249
Subscription agreement payable	284,894	-
Net pension liability	4,386,481	-
Accrued compensated absences	205,745	6,416
Family self-sufficiency escrow	57,132	-
Total noncurrent liabilities	<u>36,040,839</u>	<u>25,236,095</u>
Total liabilities	<u>46,445,441</u>	<u>39,666,311</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred ground lease payable	5,900	-
Defined benefit pension plan	667,853	-
Total deferred inflows of resources	<u>673,753</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	11,614,085	17,757,796
Restricted	14,915,220	1,398,672
Unrestricted	22,691,915	(5,663,309)
Total net position	<u>\$ 49,221,220</u>	<u>\$ 13,493,159</u>

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

Pinellas County Housing Authority

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended December 31, 2023

	Primary government	Discrete component units
OPERATING REVENUES		
HUD operating revenues	\$ 44,492,124	\$ -
Tenant revenue, net	16,446,590	3,078,007
Other operating revenue	3,085,292	122,878
Total operating revenues	<u>64,024,006</u>	<u>3,200,885</u>
OPERATING EXPENSES		
Administrative	6,827,625	749,832
Tenant services	1,730,385	11,405
Utilities	2,101,653	387,219
Maintenance	5,662,543	931,495
Protective services	239,404	43,021
General	2,913,699	448,394
Depreciation	3,947,219	1,460,489
Housing assistance payments	38,658,710	-
Total operating expenses	<u>62,081,238</u>	<u>4,031,855</u>
OPERATING INCOME (LOSS)	<u>1,942,768</u>	<u>(830,970)</u>
NON-OPERATING REVENUES (EXPENSES)		
Change in interest swap agreements	(126,476)	-
Interest income	1,088,711	110,695
Mortgage note interest income	573,898	-
Interest expense	(1,427,502)	(958,469)
Total non-operating revenues (expenses)	<u>108,631</u>	<u>(847,774)</u>
Change in net position before capital contributions	2,051,399	(1,678,744)
CAPITAL CONTRIBUTIONS		
HUD capital grants	34,509	-
Change in net position	2,085,908	(1,678,744)
Total net position - beginning	<u>47,135,312</u>	<u>15,171,903</u>
Total net position - ending	<u><u>\$ 49,221,220</u></u>	<u><u>\$ 13,493,159</u></u>

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

Pinellas County Housing Authority

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	<u>Primary government</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
HUD operating grants received	\$ 43,545,486
Collections from tenants	16,438,717
Collections from other sources	2,931,516
Payments to employees	(10,932,694)
Payments to suppliers	(7,956,706)
Housing assistance payments	(38,653,160)
Net cash provided by operating activities	<u>5,373,159</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
HUD capital grants received	34,509
Interest paid	(1,407,152)
Payments on long-term debt	(1,517,872)
Purchase of property and equipment	(1,937,102)
Net cash used in capital and related financing activities	<u>(4,827,617)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,088,711
Issuance of notes receivable	(1,600,000)
Net cash used in investing activities	<u>(511,289)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	34,253
Cash and cash equivalents at beginning of the year	<u>20,481,317</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 20,515,570</u>
AS PRESENTED IN THE STATEMENT OF NET POSITION	
Cash and cash equivalents - unrestricted	\$ 18,243,319
Cash and cash equivalents - restricted	2,215,119
Cash and cash equivalents - restricted noncurrent	57,132
	<u>\$ 20,515,570</u>

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

Pinellas County Housing Authority

STATEMENT OF CASH FLOWS (continued)

For the year ended December 31, 2023

	<u>Primary government</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 1,942,768
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,947,219
Provision for bad debt, net of recoveries	50,842
Amortization of intangible assets	27,527
(Increase) decrease in assets and deferred outflows:	
Receivables, net	(1,173,245)
Prepaid expenses	33,532
Inventory, net	52,422
Other assets	24,993
Deferred outflows - defined benefit pension plan	203,938
Increase (decrease) in liabilities and deferred inflows:	
Lease payable	(208,386)
Accrued liabilities	377,607
Accrued compensated absences	(21,800)
Accrued salaries and benefits	(9,684)
Unearned revenue	(39,835)
Payments in lieu of taxes	3,318
Tenant security deposits	18,951
Family self-sufficiency escrow	5,550
Net pension liability	244,869
Developer fee payable	(83,381)
Other current liabilities	(17,064)
Other noncurrent liabilities	(181,755)
Deferred inflows - defined benefit pension plan	174,773
Net cash provided by operating activities	<u>\$ 5,373,159</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION	
Purchase of capital assets through short-term financing	<u>\$ 1,800,000</u>

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

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

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

The Authority's governing board consists of a five member Board of Commissioners (the "Board"), the members of which are appointed by the Governor of the State of Florida. The Authority is not a component unit of the County, as defined in Governmental Accounting Standards Board ("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 defined 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 to impose specific financial burdens on, the primary government.

Blended component units

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. The Authority's operations include ten blended component units, which are all included in the basic financial statements of the Authority. The blended component units are as follows:

- Palm Lake Village Housing Corporation ("PLVHC")
- Pinellas County Housing and Economic Development Corporation ("PCHEDC")
- PCHA Development, LLC
- Pinellas Heights, LLC
- Landings at Cross Bayou, LLC ("Landings LLC")
- Heritage Oaks, LLC
- Grand Oaks, LLC (no activity during the fiscal year)
- PCHA Lakeside Terrace, LLC
- Pinellas Property Management Company, Inc ("PPMC")
- PCHA Mills, Inc

PLVHC is a Florida not for profit 501(c)(3) corporation and is an instrumentality of the Authority. PLVHC has the same governing board as the Authority. PLVHC owns and operates Palm Lake Village, Crystal Lakes Manor Apartments and Magnolia Gardens Assisted Living Facility.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Blended component units (continued)

PCHEDC is a Florida not for profit 501(c)(3) corporation and is an instrumentality of the Authority. PCHEDC has the same governing board as the Authority. PCHEDC wholly owns Pinellas Heights, LLC and Landings LLC.

- **Pinellas Heights, LLC** is a Florida limited liability company and is an instrumentality of the Authority. Pinellas Heights, LLC was created to serve as a General Partner solely to assist in the planning and development of Pinellas Heights, LLLP ("Pinellas Heights"), a 153 senior apartment complex. Pinellas Heights consists of 21 public housing units and 132 affordable project based Section 8 units and was financed with bonds of \$5,775,000, 4% low income housing tax credits of \$8,724,285, a loan from Pinellas County of \$1,245,000, a deferred development fee of \$1,453,893 and other loans from the Authority not to exceed \$6,650,000 (see Note B-4-b). Construction was completed in 2014.
- **Landings LLC** is a Florida limited liability company and is an instrumentality of the Authority. The Landings LLC was created to serve as a General Partner solely to assist in the planning and development of the Landings at Cross Bayou, LLLP ("Landings"), a rental assistance demonstration property, consisting of 184 project based Section 8 units, which is located on the previous French Villas public housing site. The Landings rehabilitation is financed through low income housing tax credits and other sources.

PCHA Development, LLC is a Florida limited liability company and is an instrumentality of the Authority. PCHA Development, LLC is wholly owned by the Authority. PCHA Development, LLC will receive development fees and other capital management fees for future projects.

Heritage Oaks, LLC is a Florida limited liability company and is an instrumentality of the Authority. Heritage Oaks, LLC was created solely to assist in the planning and development of the first phase of The Oaks at Ridgecrest, a new community to be developed in four phases which will be located on the Rainbow Villas public housing site and surrounding area. The Oaks at Ridgecrest are financed through low income housing tax credits and other sources. Heritage Oaks, LLC is one of the general partners of Heritage Oaks, LLLP, which is the owner of phase I and is considered a related party of the Authority.

Grand Oaks, LLC is a Florida limited liability company and is an instrumentality of the Authority. Grand Oaks, LLC is one of the general partners of Grand Oaks Apartments, LLLP, which is the owner of Grand Oaks Apartments, and is considered a related party of the Authority.

PCHA Lakeside Terrace, LLC is a Florida limited liability company and is an instrumentality of the Authority that was created through a RAD conversion of a Public Housing property.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Blended component units (continued)

PPMC is a Florida not for profit 501(c)(3) corporation that was incorporated to engage in all aspects of property management services for property owned and/or operated by the Authority, and to provide the same services for other third party owned and /or operated facilities.

PCHA Mills, Inc is a Florida not for profit corporation created to build affordable units in line with the Authority's mission.

Discrete component units

For consolidation purposes, the discrete information identified in these accompanying financial statements is presented as of and for the year ended December 31, 2023. The discrete component units are not considered governmental entities. Therefore they follow all applicable FASB standards and do not follow government accounting standards similar to the Authority. However, for presentation purposes in order to conform to the presentation of the Authority, certain transactions may be reflected differently in these financial statements than in separately issued information. Separately issued financial information for Pinellas Heights, LLLP and Landings at Cross Bayou, LLLP can be obtained from the Authority.

Pinellas Heights, LLLP, whose general partner is Pinellas Heights, LLC, was formed in October 2011 and is the owner of Pinellas Heights Apartments.

Landings at Cross Bayou, LLLP, whose general partner is the Landings LLC, was formed in September 2011 and is the owner of the Landings.

Valor Preserve, LLLP, whose general partner is the PPMC, was formed in March 2020 and is the owner of Valor Preserve at Lake Seminole.

2. 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 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, liabilities, fund equity, revenues and expenditures/expenses.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

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 nonoperating items.

Operating activity generally arises from providing services in connection with a proprietary fund's principal activity. The operating revenues of the Authority consists primarily of rental charges to tenants, county operating grants and operating grants from the Department of Housing and Urban Development ("HUD"), and include, to a lesser extent, certain operating amounts of capital grants that offset operating expenses.

Operating expenses for the Authority include the cost of tenant services, general, administrative, utilities, maintenance, protective services, depreciation and housing assistance payments. All revenues and expenses not meeting this definition are reported as nonoperating 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.

3. 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, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their 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 in the period incurred or economic asset used.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus and basis of accounting (continued)

For financial reporting purposes, the Authority considers its HUD grants associated with operations as operating revenue because these funds more closely represent revenues generated from operating activities rather than nonoperating activities. HUD grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity on the accompanying statement of revenues, expenses and changes in net position. As provided by GASB Codification Section P80.115, *Proprietary Fund Accounting and Financial Reporting: Defining Operating Expenses*, and related guidance, tenant revenue is reported net of \$50,842 in accounts written-off.

4. Summary of programs

The accompanying basic financial statements include the activities of several housing programs subsidized by HUD at the Authority. A summary of each significant program is provided below.

Low Rent Public Housing Programs

The Low Rent Public Housing Programs include the following: asset management projects ("AMPs"), Public Housing Capital Fund, and various other related HUD grants.

The purpose of the public housing program is to provide decent and affordable housing to low-income families at reduced rents. The developments are owned, maintained and managed by the Authority. The developments/units are acquired, developed and modernized under HUD's Development and Capital Fund programs.

Funding of the program operations and development is provided by operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition and other allowances).

New Construction Section 8 Program

Norton Apartments is a multifamily community consisting of 48 units, of which all are subsidized by HUD under a project-based Housing Assistance Payments Contract.

Family Self-Sufficiency

The Family Self-Sufficiency ("FSS") program provides funds for a coordinator to assist residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Summary of programs (continued)

Central Office Cost Center

The Central Office Cost Center ("COCC") is a business unit within the Authority that generates revenue from fees for service and other business activities. The COCC consists of activities funded through these revenue sources.

Housing Assistance Payments Programs

The Section 8 Housing Choice Voucher ("HCV"), Veterans Affairs Supportive Housing ("VASH"), Emergency Housing Vouchers ("EHV") and Section 8 New Construction programs utilize existing privately owned family rental housing units to provide decent and affordable housing to low-income families.

Funding of the programs is provided by federal housing assistance contributions from HUD for the difference between the approved landlord contract rent and the rent paid by the tenant. In addition, the Authority receives an administrative fee to cover operating expenses.

The VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs at its medical centers and in the community. For reporting purposes, the VASH program is reported within HCV.

The Emergency Housing Voucher (EHV) program is a tenant-based rental assistance program funded by the American Rescue Plan Act (ARPA). Emergency Housing Vouchers are to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, or having high risk of housing instability.

The Mainstream Voucher program is a tenant-based rental assistance program funded by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These vouchers will serve non-elderly person (s) with disabilities impacted by the COVID-19 pandemic. HUD provided the Agency with additional vouchers to help prevent, prepare for, and respond to the coronavirus.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Summary of programs (continued)

Business Activities

The Authority owns and operates the following as Business Activities:

- East Lake Club Apartments, a 240 unit affordable apartment complex in Oldsmar, Florida
- Redwood Apartments, a 10 unit facility in unincorporated Pinellas County
- Palms of Pinellas, a 92 unit facility in which 55 units are FMV and the other 37 units are affordable located in unincorporated Pinellas County
- One parcel of land for future development: a parcel in Largo contiguous to the Authority's administrative office
- Cost center for the Corporate Office
- Affordable housing property management

5. Assets, deferred outflows, liabilities, deferred inflows, and net position

a. *Cash and cash equivalents*

For financial statement purposes cash and cash equivalents are considered to be cash in banks, bond fund reserves in U.S. treasuries, certificates of deposits and money market funds with original maturities of three months or less.

b. *Receivables*

Receivables consist of all revenues earned at year-end and not yet received. The majority of receivables consist of tenant receivables and other grant receivables. The receivables are reported net of an allowance for doubtful accounts consisting of \$17,845. The allowance for uncollectible amounts is based on periodic aging of tenant accounts receivables and fraud recovery receivables.

c. *Capital assets*

The Authority's policy is to capitalize assets with a value in excess of \$2,000 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. Assets are valued at historical cost, or estimated historical cost if actual historical cost is not available, and contributed assets are valued at fair market value on the date contributed.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows, and net position (continued)

c. Capital assets (continued)

Depreciation and amortization have been provided using the straight-line method over the estimated useful lives, which range as follows:

Buildings and improvements	5 - 30 years
Equipment	5 years
Right of use asset - leased assets	3 - 99 years
Right of use asset - software	3 years

d. Intangible assets

Intangible assets, net, consists of costs paid by the Authority to developers, attorneys, and consultants on behalf of the developments. The costs are amortized using the straight line basis over the life of the respective development and leases which vary between ten to thirty years. These intangible assets have a cost of \$548,443 and are being presented in the financial statements net of accumulated amortization of \$182,090. For the year ended December 31, 2023, associated amortization expense was \$27,527 and is included in general expense on the Statement of Revenues, Expenses and Changes in Net Position.

e. Deferred outflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources until then.

The Authority's balance of deferred outflows of resources relates to funding of the net pension liability (see Note B-10) and its interest rate swap agreement measured at fair value (see Note A-11 and B-7-h).

f. Unearned revenues

Unearned revenues include amounts collected before revenue recognition criteria are met. As of December 31, 2023, unearned revenues consist of \$35,578 of prepaid rents.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows, and net position (continued)

g. Accrued compensated absences

It is the Authority's policy to permit full-time permanent employees to accumulate earned but unused vacation and sick pay benefits, based on tenure with the Authority. The policy allows employees to accumulate unused vacation leave up to a maximum of 240 hours and unused sick leave up to a maximum of 480 hours. Upon termination, employees are paid for unused accumulated vacation (after one year of continuous employment). Unused accumulated sick leave is paid to the employee upon termination as follows: age 55 or over and five years of service at 50% (maximum of 240 hours) or all others with at least six years of service and with a minimum of 400 hours accumulated at 25% (maximum of 100 hours). In accordance with the provisions of GASB Codification Section C60, *Compensated Absences*, the estimated liability for vested leave benefits is recorded when it is earned as an expense and the cumulative unpaid amount is reported as a liability.

h. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's participation in the Florida Retirement System, and additions to/deductions from the Authority's fiduciary net position have been determined on the same basis as they are reported by the Florida Retirement System. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Florida Retirement System. Investments are reported at fair value.

i. Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and thus, will not be recognized as an inflow of resources until then. The Authority's balance of deferred inflows of resources relates to funding of the net pension liability (see Note B-10) and ground lease payable (see Note B-8).

j. Investment in joint venture

The Authority's blended component units generally have a 0.01% investment in their related party partnerships (see Note A-1). Due to the nature of these agreements, the Authority does not consider the ownership an investment for reporting purposes. The Authority's contributions are solely to assist in the creation of additional affordable housing, not to earn a return on investment. Therefore, the balances are not reflected in the accompanying financial statements.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows, and net position (continued)

k. Eliminations

For financial reporting purposes, the Authority eliminates amounts that are internally generated from and among various programs within the Authority as well as certain activity with blended component units. The following have been eliminated from the financial statements.

i). Interprogram due to/from

In the normal course of operations, certain programs pay for common costs that create interprogram receivables or payables. These interprogram receivables and payables normally offset and are eliminated for the presentation of the Authority as a whole. In addition, certain programs pay for operating deficits in other programs that may be paid back over time. As of December 31, 2023, \$4,729,609 of interprogram borrowings has been eliminated.

In addition, PLVHC and the Landings LLC, both blended component units, previously approved the lending of funds in the amounts of \$4,201,008 and \$346,043, respectively, to the Authority. In accordance with HUD guidelines for financial reporting purposes, the internal loan balances, both current and noncurrent, and interest are being eliminated. As of December 31, 2023, \$3,988,695 of internal loans and receivables was eliminated for financial reporting purposes. The corresponding mortgage interest income and expense of \$62,006 related to this note were also eliminated.

ii). Fee for service

The Authority's Central Office Cost Center internally charges fees for services rendered to the AMPs and other programs of the Authority. In addition, the Authority charges fees to other programs. These charges include management fees, bookkeeping fees, asset management fees and other fees for service. For financial reporting purposes \$2,594,549 of fees has been eliminated for the year ended December 31, 2023.

iii). Internal rent charges

The Corporate Office, a division of the Authority's business activities, charges rent to programs within the Authority. For financial reporting purposes \$336,480 of internal rent charges have been eliminated for the year ended December 31, 2023.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, deferred outflows, liabilities, deferred inflows, and net position (continued)

k. *Eliminations (continued)*

iv). *Developer fees*

PCHA Mills, Inc, a blended component unit, paid the Authority for developer fees earned during the fiscal year. For financial reporting purposes \$35,000 of developer fee income and expense have been eliminated for the year ended December 31, 2023.

l. *Net position*

In accordance with GASB Codification Section 1800.155, *Reporting Net Position in Government-Wide Financial Statements*, total equity as of December 31, 2023, is classified into three components of net position:

i). *Net investment in capital assets*

This category consists of 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 category 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 \$14,915,220 of the restricted component of net position which consists of the following:

- \$13,278,515 of mortgage notes receivable and related accrued interest that were loaned using HUD grant funds and therefore are restricted upon repayment by HUD guidelines (see Note B-4);
- \$1,602,841 of restricted escrows and reserves (see Note B-1); and
- \$33,864 of FSS forfeitures (see Note B-1).

iii). *Unrestricted component of net position*

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

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Budgets

Budgets are prepared on an annual basis for each major program and are used as a management tool throughout the accounting cycle. Budgets are approved annually by the Board of Commissioners.

7. Income taxes

The Authority is a governmental entity and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been made in the financial statements. The Authority's blended component units are subject to the income tax provisions of Florida Statutes and the Internal Revenue Code.

The Authority's blended component units account for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*, which clarifies the accounting and disclosure requirements for any uncertainty in a tax position. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are "more likely than not" to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no aggressive tax positions have been taken.

For the fiscal year ended December 31, 2023, the accompanying financial statements do not reflect income taxes paid or due for the blended component units. The income tax filings of the Authority's blended component units are subject to audit by various taxing authorities. The open audit periods for these entities are 2020 through 2023.

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, as well as certain deferred items, 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. Leasing activities

The Authority is the lessor of dwelling units to low-income and market rate residents. The low-income 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. A significant majority of the capital assets are used in these leasing activities. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within tenant revenue.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Leasing activities (continued)

Under GASB Statement No. 87, *Leases*, the determination of whether an arrangement is a lease is made at the lease's inception and a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having the right to direct the use of the asset. Management only reevaluates its determination if the terms and conditions of the contract are changed. Finance leases are included in lease right-of-use ("ROU") assets as part of capital assets, other current liabilities, and other long-term liabilities on the Authority's balance sheet.

ROU assets represent the right to use an underlying asset for the lease term, and the lease liabilities represent the obligation to make lease payments. The lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Authority uses the implicit rate when it is readily determinable. Lease ROU assets also include any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Authority's lease terms may include options to extend or terminate the lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

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 impairments as of December 31, 2023.

11. Interest rate swap agreements

The Authority's interest rate swap agreements are measured at fair value. The Authority entered into two interest rate swap agreements in 2017 that reduce the economic risks associated with variability in cash outflows for interest on notes (see Note B-7-h).

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Deferred inflows of resources

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The categorization of the interest rate swap agreements within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the risk.

Level 1 - Reflects prices quoted in active markets.

Level 2 - Reflects prices that are based on similar observable assets either directly or indirectly, which may include input in markets that are not considered to be active.

Level 3 - Reflects prices based upon unobservable sources.

The Authority's derivative instruments are categorized as Level 2 and valued using mid-market values obtained from market pricing data sources for comparable transactions in the over-the-counter interest rate derivative market.

13. Subscription-based information technology arrangements

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITA"), which establishes that a government should recognize a subscription liability at the commencement of the subscription term, which is when the subscription is placed into service. The subscription liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. A SBITA results in a ROU subscription asset and a corresponding subscription liability. Implementation costs are also recorded. This statement is effective for the Authority's December 31, 2023 fiscal year.

14. Impact of recently issued accounting standards

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for the Authority's December 31, 2024 fiscal year end.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for the Authority's December 31, 2025 fiscal year end.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for the Authority's December 31, 2026 fiscal year end.

Management is currently evaluating the impact of the adoption of these statements on the Authority's financial statements.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES

1. Cash and cash equivalents

As of December 31, 2023, the Authority's cash and cash equivalents consists of cash in banks in the amount of \$18,912,729 and cash held in reserve and escrow accounts in the amount of \$1,602,841.

In accordance with GASB Codification Section C20, *Cash Deposits with Financial Institutions* the Authority's exposure to deposit risk is disclosed on the following page.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department.

The Authority's deposits are insured by the Federal Depositary Insurance Corporation up to \$250,000, for interest bearing accounts. 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. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Authority pursuant to Section 280.08, Florida Statutes.

Financial institutions must meet the criteria of being a Qualified Public Depository as described in the Florida Security for Public Deposits Act, under Chapter 280, Florida Statutes, before any investments are made with those institutions. As of December 31, 2023, none of the Authority's total cash bank balance was exposed to custodial credit risk.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

1. Cash and cash equivalents (continued)

Restricted cash and cash equivalents. As of December 31, 2023, restricted cash and cash equivalents consist of:

<i>Current</i>	
Tenant security deposits	\$ 536,236
Family self sufficiency escrow	42,178
Family self sufficiency escrow forfeitures	33,864
Debt reserves	
Lakeside Terrace	622,136
Palm Lake Village	980,705
	<hr/>
Subtotal current	2,215,119
<i>Noncurrent</i>	
Family self sufficiency escrow	57,132
	<hr/>
Total restricted cash and cash equivalents	<u><u>\$ 2,272,251</u></u>

2. Receivables, net

As of December 31, 2023, receivables consist of:

Receivables for development	\$ 1,107,649
HUD grants receivable	1,100,957
Tenant receivables	72,383
Lease receivables - current	5,900
Overpayment to landlords	242,129
Other	129,350
	<hr/>
Subtotal receivables	2,658,368
Allowance for doubtful accounts - tenants	(17,845)
	<hr/>
Total receivables, net	<u><u>\$ 2,640,523</u></u>

3. Lease receivable

The Authority has entered into an office lease agreement for the usage of its property and space. In accordance with GASB Statement No. 87, the net present value of expected principal and interest payments are being reflected as a lease receivable and the future payments are being reported as deferred inflow of resources. The lease revenue represents the changes in deferred inflows of resources for the fiscal year.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

3. Lease receivable (continued)

A summary of agreement in which the Authority is the lessor for the fiscal year ended December 31, 2023 is as follows:

Location	Lease receivable balance	Deferred inflow balance	Lease revenue	Interest income	Interest rate	Lease maturity
Rainbow Village	\$ 5,900	\$ 5,900	\$ 10,764	\$ 636	5.40%	6/1/2024

4. Notes receivable

The Authority has entered into several notes receivable associated with tax credit and Rental Assistance Demonstration ("RAD") activity. A summary of changes in notes receivable is as follows:

	Receivable at January 1, 2023	Additions	Reductions	Receivable at December 31, 2023
Restricted notes receivable:				
Landings LLLP	\$ 5,855,000	\$ -	\$ -	\$ 5,855,000
Landings LLLP - accrued interest	1,325,148	242,041	-	1,567,189
Pinellas Heights, LLLP first mortgage	3,000,000	-	-	3,000,000
Pinellas Heights, LLLP first mortgage - accrued interest	1,525,313	181,013	-	1,706,326
Pinellas Heights, LLLP second mortgage	1,150,000	-	-	1,150,000
Total restricted notes receivable and accrued interest	12,855,461	423,054	-	13,278,515
Unrestricted note receivable:				
Pinellas Heights, LLLP first mortgage	2,500,000	-	-	2,500,000
Pinellas Heights, LLLP first mortgage - accrued interest	1,271,094	150,844	-	1,421,938
Valor Preserve Promissory Note	-	1,300,000	-	1,300,000
Valor Preserve Mortgage Note	-	300,000	-	300,000
Total unrestricted notes receivable and accrued interest	3,771,094	1,750,844	-	5,521,938
Total notes receivable and accrued interest	\$16,626,555	\$2,173,898	\$ -	\$18,800,453

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

4. Notes receivable (continued)

HUD, through the Authority, has provided funding for the development of mixed-finance properties owned by discrete component units of the Authority. As funds were received by the Authority from HUD, they were loaned to the respective discrete component units. When the notes, which originated through HUD, are paid back they will be considered restricted program income to be used for similar project developments in the future.

a. Landings, LLLP

The Authority entered into a mortgage note agreement with Landings at Cross Bayou, LLLP ("Landings, LLLP"), a discrete component unit, to fund the RAD conversion of French Villas to Landings at Cross Bayou Apartments for a total amount of \$5,855,000 with an interest rate of 3.32%. The principal balance is due at maturity on November 26, 2043 and annual interest payments will be made only to the extent of available cash flow, if any.

b. Pinellas Heights, LLLP

The Authority entered into two mortgage note agreements with Pinellas Heights, LLLP, a discrete component unit, for the construction of Pinellas Heights Apartments for a total amount not to exceed \$6,650,000.

As of December 31, 2023, the total outstanding balance of the First Mortgage Note is \$5,500,000. The sources of the First Mortgage Note consist of \$3,000,000 of public housing funds and \$2,500,000 of unrestricted funds. Per the Loan Agreement, \$5,500,000 was disbursed during construction and a second mortgage note of \$1,150,000 was disbursed upon the issuance of the certificate of occupancy. The loan has a maturity date of September 1, 2044 with interest compounded annually at a rate of 4.0%. The principal balance is due at maturity and annual interest payments will be made only to the extent of available cash flow, if any.

The sources of the Second Mortgage Note consist of \$1,000,000 Affordable Housing Program funds, and \$150,000 of Community Development Block Grant funds. As of December 31, 2023, the total outstanding balance of the Second Mortgage Note is \$1,150,000. Per the loan agreement, the total amount was disbursed during construction and upon issuance of the certificate of occupancy. The loan bears no interest and has a maturity date of September 1, 2044. The principal balance is due at maturity.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

4. Notes receivable (continued)

c. Valor Preserve, LLLP

The Authority entered into two mortgage note agreements with Valor Preserve, LLLP, a discrete component unit, for Valor Preserve at Lake Seminole for a total amount not to exceed \$1,600,000. The sources of the Promissory Note consist of all unrestricted funds. The note has a maturity date of February 10, 2056 with interest rate of 12% per annum on any due balances not paid. Principal and interest shall be paid annually, to the extent available from net cash flows.

The sources of the Mortgage Note consist of all unrestricted funds. The note has a maturity date of February 10, 2056 with an interest rate of 12% per annum on any due balances not paid. Principal and interest shall be paid annually, to the extent available from net cash flows.

5. Capital assets and right-of-use assets, net

A summary of changes in capital assets and right-of-use assets for the year ended December 31, 2023 is as follows:

	Balance at January 1, 2023	Transfers in/ additions	Transfers out/ deletions	Balance at December 31, 2023
Non-depreciable:				
Land	\$ 12,401,109	\$ 2,499,269	\$ -	\$ 14,900,378
Construction in progress	549,435	611,267	-	1,160,702
Total non-depreciable	12,950,544	3,110,536	-	16,061,080
Depreciated/amortized:				
Buildings and improvements	104,998,679	626,566	-	105,625,245
Equipment	895,963	-	-	895,963
Right of use asset - leased assets	764,304	75,480	(57,635)	782,149
Right of use asset - software	-	620,549	-	620,549
Total depreciated/amortized	106,658,946	1,322,595	(57,635)	107,923,906
Total capital assets	119,609,490	4,433,131	(57,635)	123,984,986
Less accumulated depreciation/amortization:				
Buildings and improvements	(67,826,025)	(3,681,186)	-	(71,507,211)
Equipment	(767,305)	(50,399)	-	(817,704)
Right of use asset - leased assets	(310,687)	(99,360)	38,394	(371,653)
Right of use asset - software	-	(116,274)	-	(116,274)
Total accumulated depreciation/amortization	(68,904,017)	(3,947,219)	38,394	(72,812,842)
Capital assets, net	\$ 50,705,473	\$ 485,912	\$ (19,241)	\$ 51,172,144

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

6. Accrued liabilities

As of December 31, 2023, accrued liabilities consist of:

Accrued expenses	\$ 454,283
Accounts payable	463,177
Accrued compensated absences - current	191,473
Accrued salaries	<u>173,074</u>
Total accrued liabilities	<u><u>\$ 1,282,007</u></u>

7. Noncurrent liabilities

A summary of changes in noncurrent liabilities is as follows:

	Payable at January 1, 2023	Additions	Reductions	Payable at December 31, 2023	Due within one year
Housing Revenue Bonds, Series 2005 - Palm Lake Village	\$ 7,450,000	\$ -	\$ (500,000)	\$ 6,950,000	\$ 510,000
Crystal Lake Manor Loan 2014	2,545,465	-	(71,176)	2,474,289	2,474,289
Crystal Lake Manor Loan 2015	2,191,626	-	(56,392)	2,135,234	2,135,234
East Lake Mortgage 2022	12,594,104	-	(687,652)	11,906,452	715,770
Norton Apts Mortgage 2011	529,802	-	(10,347)	519,455	10,662
Norton NSP Loan 2012	488,812	-	(9,048)	479,764	9,365
Norton Apts Clearwater Loan 2013	540,466	-	-	540,466	-
Palms of Pinellas Valley National Bank	9,398,172	-	(162,213)	9,235,959	170,287
National Bank - Secondary Loan	1,168,762	-	(20,172)	1,148,590	21,177
Palms of Pinellas County Loan	1,453,951	-	(872)	1,453,079	31,232
PCHA Mills Capon Note	-	900,000	-	900,000	900,000
PCHA Mills Promissory Note	-	900,000	-	900,000	900,000
Total long-term debt	38,361,160	1,800,000	(1,517,872)	38,643,288	7,878,016
FRS net pension liability	2,875,289	650,953	(909,971)	2,616,271	-
HIS net pension liability	1,266,323	708,430	(204,543)	1,770,210	-
Family self-sufficiency escrow	80,232	81,880	(62,802)	99,310	42,178
Developer fee payable	83,381	-	(83,381)	-	-
Accrued compensated absences	419,018	415,890	(437,690)	397,218	191,473
Ground leases payable	280,153	-	(3,018)	277,135	3,018
Subscription agreement payable	-	620,549	(116,274)	504,275	219,381
Vehicle leases payable	173,465	75,480	(115,584)	133,361	66,163
Total noncurrent liabilities	<u><u>\$ 43,539,021</u></u>	<u><u>\$ 4,353,182</u></u>	<u><u>\$ (3,451,135)</u></u>	<u><u>\$ 44,441,068</u></u>	<u><u>\$ 8,400,229</u></u>

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

The interest expense associated with all of the debt service of the Authority totaled \$1,345,955 for the year ended December 31, 2023, \$31,500 of which was capitalized.

a. Housing Revenue Bonds, Series 2005

On September 1, 2005, the Authority issued Housing Revenue Bonds, Series 2005 of \$12,300,000 at a varying interest rate of 2.90% to 4.35%. The bonds were issued with a mandatory tender for purchase on November 1, 2020 and a maturity date of November 1, 2035.

On October 13, 2020, the bonds were remarketed in the amounts of \$3,565,000 and \$4,855,000. The first bond is a 1.00% interest per annum note with a term from May 1, 2021 to November 1, 2027. The second bond is a 2.15% interest per annum note with a term from May 1, 2028 to November 1, 2035. The Authority is required to make monthly deposits to the trustee to provide for, among other deposits (see Note B-1), semi-annual interest and principal payments beginning May 1, 2021. The bonds are secured by a Trust Indenture dated September 1, 2005 between the Authority and U.S. Bank, with reimbursement obligations secured by a multifamily mortgage and an assignment of rents and security agreement. Terms of the bond indenture contain various restricted covenants and management believes that they are in compliance with all covenants as of December 31, 2023.

As of December 31, 2023 the future principal maturities for Housing Revenue Bonds, Series 2005, are as follows for the years ending December 31:

	Principal	Interest
2024	\$ 510,000	\$ 124,057
2025	520,000	118,932
2026	530,000	115,007
2027	535,000	108,382
2028	550,000	101,426
2029-2033	2,985,000	322,179
2034-2035	1,320,000	35,690
	<u>\$ 6,950,000</u>	<u>\$ 925,673</u>

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

b. Crystal Lakes Manor Loan 2014

On May 22, 2014, PLVHC, a blended component unit of the Authority, obtained a loan for \$3,000,000 from Valley National Bank. The loan bears interest at a rate of 4% with payments calculated based on an amortization of 30 years with a balloon payment after 10 years and a maturity date of May 22, 2024. The Authority is required to make monthly interest payments with principal payments commencing on June 22, 2015. The mortgage is secured by the property of Crystal Lakes Manor. As of December 31, 2023, the remaining balance of outstanding principal is considered all current.

c. Crystal Lakes Manor Loan 2015

On August 4, 2015, PLVHC obtained a loan for \$2,500,000 from Valley National Bank. The loan bears interest at a rate of 4% with payments calculated based on an amortization of 30 years with a balloon payment after 10 years and a maturity date of May 22, 2024. The mortgage is secured by the property of Crystal Lakes Manor. As of December 31, 2023, the remaining balance of outstanding principal is considered all current.

d. East Lake Mortgage 2022

During 2022, the Authority refinanced the East Lake Mortgage 2007 with Valley National Bank for \$13,100,000. The new debt was issued with fixed rate of 3.5% with the payments calculated based on the amortization for 15 years and maturity date of April 2037. The mortgage is secured by the property of East Lake Apartments.

The future principal and interest maturities for East Lake Loan, are as follows for the years ending December 31:

	Principal	Interest
2024	\$ 715,770	\$ 412,081
2025	742,766	385,087
2026	769,557	358,296
2027	797,314	330,539
2028	825,199	302,654
2029 - 2033	4,598,666	4,014,847
2034 - 2037	3,457,180	2,448,723
	<u>\$ 11,906,452</u>	<u>\$ 8,252,227</u>

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

e. Norton Apartments Mortgage 2011

On March 15, 2011, the Authority entered into a leasehold mortgage agreement with the HFA evidenced by a promissory note in the amount of \$1,507,490 for the acquisition and preservation of Norton Apartments in Clearwater, Florida, an existing 48-unit residential rental property. Under this agreement, the Authority will provide affordable rental housing to qualified low-income individuals or families throughout the Affordability Period, as defined.

The note had an original maturity of April 1, 2012, with no interest accruing and no principal payments required; however, the Authority refinanced the debt in 2012, which modified the interest terms and maturity of the note. The leasehold mortgage and note modification agreement included reducing the principal amount of the HFA mortgage to \$607,490 and maturing on June 1, 2054 with revised payment terms deferring payment until June 1, 2014 with no principal payments due and no interest accruing as long as the Authority developed and operated Norton Apartments as residential rental housing, including affordable rental housing, and complied with the terms of the HFA Mortgage, as well as the Land Use Restriction Agreement and the Agency Agreement, both of which were executed on March 15, 2011 and any other security instrument associated with the HFA mortgage. Payments commenced on June 1, 2014 and are based on the loan amount of \$607,490 with interest at 3% per annum amortized for 40 years.

As of December 31, 2023, the future principal and interest maturities for Norton Apartments Mortgage 2011 are as follows for the years ending December 31:

	Principal	Interest
2024	\$ 10,662	\$ 15,435
2025	10,986	15,111
2026	11,278	14,818
2027	11,663	14,433
2028	12,018	14,079
2029 - 2033	65,759	64,724
2034 - 2038	76,362	54,121
2039 - 2043	88,746	41,737
2044 - 2048	103,095	27,388
2049 - 2053	119,766	10,719
2054	9,120	64
	<u>\$ 519,455</u>	<u>\$ 272,629</u>

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

f. Norton NSP Loan 2012

On May 31, 2012, the Authority entered into a leasehold mortgage agreement with Pinellas County evidenced by a promissory note in the amount of \$550,000 for repair and renovation of affordable rental housing units at Norton Apartments.

Under this agreement, proceeds from this loan may be used to reimburse any allowable repair and renovation cost incurred by the Authority. The principal sum of the indebtedness is due upon the earlier of Authority's sale of the property or June 1, 2055.

As of December 31, 2023, the future principal and interest maturities for Norton NSP Loan 2012 are as follows for the years ending December 31:

	Principal	Interest
2024	\$ 9,365	\$ 14,262
2025	9,650	13,977
2026	9,943	13,684
2027	10,207	13,420
2028	10,556	13,071
2029 - 2033	57,759	60,376
2034 - 2038	67,097	51,037
2039 - 2043	77,925	40,210
2044 - 2048	90,553	27,581
2049 - 2053	105,195	12,940
2054 - 2055	31,514	683
	\$ 479,764	\$ 261,241

g. Norton Apartments Clearwater Loan 2013

On October 26, 2012, the Authority received a \$304,466 loan from the City of Clearwater to finance the rehabilitation of certain units at Norton Apartments. The loan is comprised of funding in the amount of \$243,572 from the HOME Program and \$60,894 from the SHIP Program, and is subject to a Land Use Restriction Agreement that requires the Authority to maintain the development as affordable housing for a minimum period of 30 years from the date of the agreement. The loan has been amended twice, bringing the total borrowings to \$440,446 in October 2013 and to \$540,466 in December 2015.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

g. Norton Apartments Clearwater Loan 2013 (continued)

Per the agreement, the loan is a 30-year deferred payment loan with no payment required during the affordability period of 30 years provided the Authority does not default on the loan. Additionally, no interest will accrue during the life of the loan. Should the Authority default on the loan during the period, the entire amount will become due and payable. The maturity of the note is December 23, 2045 and will be forgiven after the period.

h. Palms of Pinellas Valley National Bank 2017 Loans

On December 30, 2016, the Authority obtained a construction loan for the construction of the Palms of Pinellas with Valley National Bank for an original principal of \$9,971,000 ("Loan A"). The note bears interest at a variable interest rate at LIBOR plus 2.70% and matures on December 10, 2031. The Authority is required to make monthly principal and interest payments beginning November 10, 2018. The note is secured by the mortgage on the underlying property. During the year ended December 31, 2023, \$554,084 of interest was incurred. As of December 31, 2023, \$46,169 was accrued in interest payable.

On December 30, 2016, the Palm Lake Village Housing Corporation ("PLVHC"), a blended component unit of the Authority, obtained a construction loan on behalf of the Apartments for the construction of the Palms of Pinellas with Valley National Bank for an original principal of \$1,240,000 and advanced it to the Apartments ("Loan B"). The note is secured by the mortgage on the underlying property. PLVHC maintains a due from the Apartments for this advance.

As part of the Valley National Bank Loans, the Apartments entered into two swap agreements to modify the interest rates. As of December 31, 2023 the interest rate per the swap agreement was 5.68%. These contracts mature on December 20, 2031. Swap interest is valued at fair value measurement (see Note A-11).

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

h. Palms of Pinellas Valley National Bank 2017 Loans (continued)

The following table represents debt service payments on the variable rate notes including the swap payments. The variable interest at December 31, 2023 is assumed to be constant over the life of the notes. As of December 31, 2023, the future principal and interest maturities are as follows for the years ending December 31:

	Principal	Variable interest	Swap interest
2024	\$ 191,464	\$ 320,325	\$ 247,289
2025	204,492	314,171	242,538
2026	216,584	307,640	237,496
2027	229,392	300,722	232,155
2028	241,391	293,431	226,527
2029 - 2031	9,301,226	831,924	642,239
	<u>\$ 10,384,549</u>	<u>\$ 2,368,213</u>	<u>\$ 1,828,244</u>

A summary of changes and value as of December 31, 2023 for the interest rate swaps are as follows:

Interest rate swap contract	Changes in fair value	Fair value at December 31, 2023	Notional value at December 31, 2023
Valley National Loan A	\$ (112,487)	\$ 337,549	\$ 9,235,959
Valley National Loan B	(13,989)	41,978	1,148,590
	<u>\$ (126,476)</u>	<u>\$ 379,527</u>	<u>\$ 10,384,549</u>

i. Palms of Pinellas County Loan

On March 22, 2017 the Authority obtained a construction loan for the construction of the Palms of Pinellas with Pinellas County for an original principal of \$1,500,000 of which \$775,000 is provided through the HOME program and \$725,000 is provided through the NSP2 program. The debt was issued with a fixed rate of 1.00%. Repayment of the original balance will be deferred for three years with the first payment due on the first month after the deferral period and in 40 consecutive yearly installments. During the year ended December 31, 2023, \$14,597 of interest was incurred on this debt. As of December 31, 2023, \$50,957 was accrued in interest payable.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

i. Palms of Pinellas County Loan (continued)

As of December 31, 2023, the future principal and interest maturities for Palms of Pinellas County Loan are as follows for the years ending December 31:

	Principal	Interest
2024	\$ 31,232	\$ 14,597
2025	31,550	14,282
2026	31,833	13,964
2027	32,196	13,681
2028	32,524	13,318
2029 - 2033	167,017	61,637
2034 - 2038	174,693	53,059
2039 - 2043	183,604	44,157
2044 - 2048	192,970	34,801
2049 - 2053	202,813	24,968
2054 - 2058	213,159	14,633
2059	159,488	2,842
	\$ 1,453,079	\$ 305,939

j. PCHA Mills Capon Note

On September 7, 2023, PCHA Mills, Inc, a blended component unit of the Authority, obtained a \$900,000 loan from Capon Corporation. The loan bears interest at a rate of 7% per annum and is due upon maturity, May 7, 2024. As of December 31, 2023, the remaining balance of outstanding principal is considered all current.

k. PCHA Mills Promissory Note

On September 7, 2023, PCHA Mills, Inc, a blended component unit of the Authority, obtained a \$900,000 loan from John Mills, Sr. and Bonnie Mills. The loan bears interest at a rate of 7% per annum and is due upon maturity, May 7, 2024. As of December 31, 2023, the remaining balance of outstanding principal is considered all current.

8. Ground and vehicle leases payable

The Authority recognizes and measures its lease in accordance with GASB Statement No. 87. The Authority is a lessee in several ROU financing ground leases as well as vehicles. The Authority recognizes a lease liability and a ROU asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

8. Ground and vehicle leases payable (continued)

The maturities of the lease liabilities as of December 31, 2023 were as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 69,181	\$ 78,537
2025	34,608	76,228
2026	34,608	76,228
2027	7,036	69,042
2028	3,018	67,968
2029-2033	15,090	56,640
2034-2038	15,090	56,640
2039-2043	15,090	56,640
2044-2048	15,090	56,640
2049-2053	15,090	56,640
2054-2058	15,090	56,640
2059-2063	15,090	56,640
2064-2068	15,090	56,640
2069-2073	15,090	56,640
2074-2078	15,090	56,640
2079-2083	15,090	56,640
2084-2088	15,090	56,640
2089-2093	15,090	56,640
2094-2098	15,090	56,640
2099-2103	15,090	56,640
2104-2108	15,090	56,640
2109-2113	12,880	52,491
2114-2117	7,725	35,895
	<u>\$ 410,496</u>	<u>\$ 1,362,629</u>

a. *Ground lease - Palms of Pinellas*

On February 29, 2016, the Authority entered into a 99 year ground lease with the Housing Finance Authority of Pinellas County for Palms of Pinellas Apartments' land. Beginning on January 1, 2018, the ground lease requires an annual payment of principal and interest totaling \$9,092.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

8. Ground and vehicle leases payable (continued)

b. Ground lease - Redwood Apartments

As part of the purchase of Redwood Apartments (see Note B-8-f), the Authority, as the lessee, has executed a 99-year ground lease agreement with Pinellas Community Housing Foundation, Inc., the lessor, as Trustee of the Pinellas Community Housing Program Land Trust - Redwood Apartments, a land trust formed for the benefit of the Housing Finance Authority of Pinellas County ("HFA"). The lease is subject to various use restrictions, as defined in the lease, including the requirement that all 10 of the units be continuously set aside during the Affordability Period, as defined, for occupancy by qualified low-income households. The terms of the lease provide for a ground lease fee of \$910 payable annually beginning January 1, 2012, throughout the term of the lease. The Authority has the option to extend the lease for one additional 99-year term.

c. Ground lease - Norton Apartments

As part of the purchase of Norton Apartments (see Note B-8-g), the Authority, as the lessee, has executed a 99-year ground lease agreement with Pinellas Community Housing Foundation, Inc., the lessor, as Trustee of the Pinellas Community Housing Program Land Trust - Norton Apartments, a land trust formed for the benefit of the HFA. The lease is subject to various use restrictions, as defined in the lease, including the requirement that all 48 of the units be continuously set aside during the Affordability Period, as defined, for occupancy by qualified low-income households. The terms of the lease provide for a ground lease fee of \$4,344 payable annually beginning January 1, 2012, throughout the term of the lease. The Authority has the option to extend the lease for one additional 99-year term.

d. Vehicle leases

The Authority has entered into numerous vehicle lease agreements with 5 year terms with varying maturity dates through 2028 and interest rates ranging between 5.0% and 6.7%.

9. Subscription agreements payable

On February 10, 2023, the Authority entered into a subscription-based information technology arrangement for its accounting software. The term of the agreement is for 3 years for a total of \$693,083. The calculation of the present value of the total payments of agreement term was \$620,549. The agreement did not specify an explicit interest rate; therefore a 5% interest rate is used based on average industry interest rates.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

9. Subscription agreements payable (continued)

The future liability payments as of December 31, 2023 were as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 219,381	\$ 25,214
2025	243,916	14,245
2026	40,978	2,049
	<u>\$ 504,275</u>	<u>\$ 41,508</u>

10. Retirement plans

a. *Florida Retirement System*

General Information - All of the Authority's employees participate in the Florida Retirement System ("FRS"). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA").

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

a. *Florida Retirement System (continued)*

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications

Pension description

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For pension plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increases normal retirement to age 65 or 33 years of service regardless of age for Regular class members. Also, the final average compensation will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment.

The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

a. *Florida Retirement System (continued)*

Pension description (continued)

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Funding policy

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class effective July 1, 2023 and July 1, 2022, respectively, were as follows: Regular-13.57% and 11.91%; and DROP participants-21.13% and 18.60%.

These employer contribution rates include a 1.66% HIS Plan subsidy for the periods of January 1, 2023 through December 31, 2023.

The Authority's contributions to the pension plan totaled \$376,290 for the fiscal year ended December 31, 2023.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2023, the Authority reported a liability of \$2,616,271 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023. The Authority's proportionate share of the net pension liability was calculated using the accrued retirement contributions in the Plan's system for the fiscal year ended June 30, 2023 relative to the June 30, 2023 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was 0.006565818%, which was an increase of 0.0011618% from its proportionate share measured as of June 30, 2022.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

a. *Florida Retirement System (continued)*

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

For the fiscal year ended December 31, 2023, the Authority recognized pension expense of \$361,065. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 245,645	\$ -
Change in assumptions	170,549	-
Net difference between projected and actual earnings on Pension Plan investments	109,263	-
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	150,029	399,526
Authority Pension Plan contributions subsequent to the measurement date	237,768	-
Total	<u>\$ 913,254</u>	<u>\$ 399,526</u>

The deferred outflows of resources related to the Pension Plan, totaling \$237,768 resulting from the Authority's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2024.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

a. *Florida Retirement System (continued)*

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal year ending December 31:	Amount
2024	\$ 30,396
2025	(79,796)
2026	368,650
2027	(36,299)
2028	(6,991)
Thereafter	-

Actuarial assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense

Mortality rates were based on the PUB-2010 base table, projected generationally with Projection Scale MP-2018. The actuarial assumptions that determined the total pension liability as of June 30, 2023 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

a. *Florida Retirement System (continued)*

Actuarial assumptions (continued)

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation (1)	Annual arithmetic return	Compound annual (geometric) return	Annual standard deviation
Cash	1.00%	2.90%	2.90%	1.10%
Fixed income	19.80%	4.50%	4.40%	3.40%
Global equity	54.00%	8.70%	7.10%	18.10%
Real estate (property)	10.30%	7.60%	6.60%	14.90%
Private equity	11.10%	11.90%	8.80%	26.30%
Strategic investments	3.80%	6.30%	6.10%	7.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.40%

(1) As outlined in the Pension Plan's investment policy

Discount rate

The discount rate used to measure the total pension liability was 6.70%, a decrease from 6.80% for 2022. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

a. *Florida Retirement System (continued)*

Sensitivity of net pension liability to changes in the discount rate

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.70% as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current discount rate (6.70%)	1% Increase (7.70%)
Authority's proportionate share of the net pension liability	\$ 4,469,123	\$ 2,616,271	\$ 1,066,138

Pension plan fiduciary net position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the pension plan

At December 31, 2023, the Authority did not have a payable for outstanding contributions to the Pension Plan required.

b. *Health Insurance Subsidy (HIS)*

Plan description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. For the fiscal year ended December 31, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

b. *Health Insurance Subsidy (HIS) (continued)*

Funding policy

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended December 31, 2023, the HIS contribution was 1.66% for the period from January 1, 2023 through June 30, 2023, and 2% for the period July 1, 2023 through December 31, 2023. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority's contributions to the HIS Plan totaled \$86,759 for the fiscal year ended December 31, 2023.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2023, the Authority reported a liability of \$1,770,210 for its proportionate share of the HIS plan's net pension liability. The net pension liability was measured as of June 30, 2023. The Authority's proportionate share of the net pension liability was calculated using the accrued retirement contributions in the Plan's system for the fiscal year ended June 30, 2023 relative to the June 30, 2023 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was 0.01114648%, which was a decrease of 0.000809% from its proportionate share measured as of June 30, 2022.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

b. Health Insurance Subsidy (HIS) (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

For the fiscal year ended December 31, 2023, the Authority recognized pension expense of \$620,082. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 25,915	\$ 4,155
Change in assumptions	46,538	153,395
Net difference between projected and actual earnings on Pension Plan investments	914	-
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	34,078	110,777
Authority Pension Plan contributions subsequent to the measurement date	56,652	-
Total	<u>\$ 164,097</u>	<u>\$ 268,327</u>

The deferred outflows of resources related to the HIS Plan, totaling \$56,652 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2024.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

b. Health Insurance Subsidy (HIS) (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal year ending December 31:	Amount
2024	\$ (32,221)
2025	(20,128)
2026	(31,685)
2027	(42,547)
2028	(28,734)
Thereafter	(5,567)

Actuarial assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.65%

The level of monthly benefits were increased from \$5 times years-of-service to \$7.50 which resulted in a \$15 increase in the minimum monthly benefit to \$45, and a \$75 increase in the maximum monthly benefit to \$225. This change applies to all years of service for all members in the plan.

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan which was for the period July 1, 2013 through June 30, 2018.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

b. Health Insurance Subsidy (HIS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 3.65%, an increase from 3.54% for 2022. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of net pension liability to changes in the discount rate

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current discount rate (3.65%)	1% Increase (4.65%)
Authority's proportionate share of the net pension liability	\$ 2,019,534	\$ 1,770,210	\$ 1,563,538

Pension plan fiduciary net position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the pension plan

At December 31, 2023, the Authority did not have a payable for outstanding contributions to the HIS Plan required.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

c. *FRS Investment Plan*

Plan description

The Authority contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The FRS Investment Plan, a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, established under Section 121.4501, Florida Statutes, is administered by the State Board of Administration ("SBA") and is reported in the SBA's annual financial statements. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of the investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established or may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

For all membership classes, employees are immediately invested in their own contributions and are vested after one year of service for employer contributions and investment earning, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including service credit represented by the transferred funds) to be vested for these funds and earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended December 31, 2023, the information for forfeitures was unavailable from the SBA; however, management believed that these amounts, if any, would be immaterial to the Authority.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

10. Retirement plans (continued)

c. *FRS Investment Plan (continued)*

Plan description (continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Required employer and employee contributions for the fiscal year end December 31, 2023, were \$281,602 and \$66,253, respectively. At December 31, 2023, the Authority did not have a payable for outstanding contributions to the plan.

11. Risk management

The Authority is exposed to various risks of loss related 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, certain commercial insurance policies are purchased, and the Authority participates in a risk retention group to cover designated exposures and potential loss situations. The group collects reserve deposits and carries reinsurance; however, the group may charge each group member additional amounts if losses are in excess of reserve deposits and reinsurance amounts.

There were no significant reductions of insurance coverage from prior years and settlements did not exceed insurance coverage for each of the past three years.

12. Commitments and contingencies

a. *Legal*

In the normal course of operations, the Authority may be party to various pending or threatened legal actions. As of the date of this report, management is not aware of any such instances that have a material impact on the Authority.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

12. Commitments and contingencies (continued)

b. Grants and contracts

The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are 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 instances.

c. Unspent awards

The Authority receives funding from HUD through various programs to help subsidize the cost of project repairs, improvements and certain operating costs. Unspent awarded amounts as of December 31, 2023 amounted to \$712,932 for the Public Housing Capital Fund Program.

13. Concentrations

For the year ended December 31, 2023, approximately 68% of revenues and 32% of receivables reflected in the basic financial statements are from HUD.

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

14. Financial data schedule

As required by HUD, 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, housing assistance payments and extraordinary maintenance expense.

In addition, the schedule's format includes non-operating items as operating such as investment revenue, HUD capital grants revenue, gains and losses on the disposal of capital assets and interest expense. Furthermore, the schedule reflects tenant revenue and bad debt expense separately.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

15. Subsequent events

Management has evaluated subsequent events through September 17, 2024, the date which the financial statements were available to be issued and has determined no material events occurred that would require disclosure.

16. Condensed blended combining information

Condensed component unit information for the Authority's blended component units as listed in Note A-1 is presented below. Grand Oaks, LLC, is included in the reporting entity as a blended component unit but this entity has incurred no activity as of December 31, 2023, therefore no information is included.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

17. Condensed blended component unit information

Condensed Statement of Net Position

	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	PCHA Lakeside Terrace, LLC	Landings at Cross Bayou, LLC	PCHEDC	Heritage Oaks, LLC	Pinellas Property Management Company	PCHA Mills, Inc.	Total blended component units
Assets:										
Current assets - unrestricted	\$ 7,390,475	\$ 2,209,905	\$ -	\$ 256,624	\$ 767,307	\$ 4,522	\$ 36,768	\$ 1,768	\$ 19,289	\$ 10,686,658
Current assets - restricted	1,263,218	-	-	633,787	-	-	-	-	-	1,897,005
Due from other programs	1,306,553	823,565	-	-	-	-	-	-	-	2,130,118
Capital assets, net	15,960,464	-	-	1,453,042	-	-	-	-	2,520,804	19,934,310
Notes receivable	3,706,355	-	-	-	282,340	-	-	300,000	-	4,288,695
Total assets	29,627,065	3,033,470	-	2,343,453	1,049,647	4,522	36,768	301,768	2,540,093	38,936,786
Deferred outflows	155,648	-	-	-	-	-	-	-	-	155,648
Liabilities:										
Current liabilities	6,668,646	-	-	284,266	-	-	-	-	2,600,377	9,553,289
Due to other programs	-	-	600,000	-	-	-	13,786	-	-	613,786
Noncurrent liabilities	10,909,697	-	-	5,177	-	-	-	-	-	10,914,874
Total liabilities	17,578,343	-	600,000	289,443	-	-	13,786	-	2,600,377	21,081,949
Deferred inflows	110,174	-	-	-	-	-	-	-	-	110,174
Net position:										
Net investment in capital assets	3,237,960	-	-	1,450,410	-	-	-	-	720,804	5,409,174
Restricted	980,704	-	-	622,137	-	-	-	-	-	1,602,841
Unrestricted	7,875,532	3,033,470	(600,000)	(18,537)	1,049,647	4,522	22,982	301,768	(781,088)	10,888,296
Total net position	\$ 12,094,196	\$ 3,033,470	\$ (600,000)	\$ 2,054,010	\$ 1,049,647	\$ 4,522	\$ 22,982	\$ 301,768	\$ (60,284)	\$ 17,900,311

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

17. Condensed blended component unit information (continued)

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

	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	PCHA Lakeside Terrace, LLC	Landings at Cross Bayou, LLC	PCHEDC	Heritage Oaks, LLC	Pinellas Property Management Company	PCHA Mills, Inc.	Total blended component units
Operating revenues and (expenses)										
Tenant revenue, net	\$ 9,481,109	\$ -	\$ -	\$ 931,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,412,871
Other revenue	73,736	325,941	-	3,756	-	5	-	300,000	-	703,438
Depreciation	(1,557,750)	-	-	(127,134)	-	-	-	-	-	(1,684,884)
Other operating expenses	(8,293,339)	(12,086)	-	(959,223)	-	(483)	-	-	(60,284)	(9,325,415)
Operating income (loss)	(296,244)	313,855	-	(150,839)	-	(478)	-	300,000	(60,284)	106,010
Nonoperating revenues and (expenses)										
Interest income	424,071	56,713	-	68,514	44,576	-	-	1,359	-	595,233
Interest expense	(367,499)	-	-	(247)	-	-	-	-	-	(367,746)
Transfer from other programs	298,304	497,575	-	-	-	2,500	-	-	-	798,379
Change in net position	58,632	868,143	-	(82,572)	44,576	2,022	-	301,359	(60,284)	1,131,876
Beginning net position	12,035,564	2,165,327	(600,000)	2,136,582	1,005,071	2,500	22,982	409	-	16,768,435
Ending net position	<u>\$ 12,094,196</u>	<u>\$ 3,033,470</u>	<u>\$ (600,000)</u>	<u>\$ 2,054,010</u>	<u>\$ 1,049,647</u>	<u>\$ 4,522</u>	<u>\$ 22,982</u>	<u>\$ 301,768</u>	<u>\$ (60,284)</u>	<u>\$ 17,900,311</u>

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

17. Condensed blended component unit information (continued)

Condensed Statement of Cash Flows

	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	PCHA Lakeside Terrace, LLC	Landings at Cross Bayou, LLC	PCHEDC	Heritage Oaks, LLC	Pinellas Property Management Company	PCHA Mills, Inc.	Total blended component units
Net cash provided by (used in):										
Operating activities	\$ (589,608)	\$ 46,176	\$ -	\$ (274,589)	\$ 7,634	\$ 2,022	\$ 2	\$ -	\$ 740,093	\$ (68,270)
Capital and related financing activities	1,231,822	-	-	(469,304)	-	-	-	-	(720,804)	41,714
Investing activities	424,071	56,713	-	68,514	44,576	-	-	1,359	-	595,233
Net increase (decrease) in cash	1,066,285	102,889	-	(675,379)	52,210	2,022	2	1,359	19,289	568,677
Beginning cash	7,154,030	198,990	-	1,487,713	715,097	2,500	1,000	409	-	9,559,739
Ending cash	<u>\$ 8,220,315</u>	<u>\$ 301,879</u>	<u>\$ -</u>	<u>\$ 812,334</u>	<u>\$ 767,307</u>	<u>\$ 4,522</u>	<u>\$ 1,002</u>	<u>\$ 1,768</u>	<u>\$ 19,289</u>	<u>\$ 10,128,416</u>

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

18. Segment reporting information

Government accounting standards require certain disclosures for business activities that have special reporting needs for activity that relies on revenues to pay for the associated debt of the respective project. Accordingly, for the year ended December 31, 2023, the Authority is presenting Palms of Pinellas.

Condensed Statement of Net Position

	Palms of Pinellas
Assets:	
Current assets	\$ 594,666
Restricted assets	34,102
Capital assets, net	10,669,456
Other noncurrent assets	179,842
Total assets	<u>11,478,066</u>
Deferred outflows	<u>379,527</u>
Liabilities:	
Current liabilities	367,566
Due to other programs	749,400
Noncurrent liabilities	11,792,860
Total liabilities	<u>12,909,826</u>
Net position:	
Net investment in capital assets	(1,168,171)
Unrestricted	<u>115,938</u>
Total net position	<u><u>\$ (1,052,233)</u></u>

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE B - DETAILED NOTES (continued)

18. Segment reporting information (continued)

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

	Palms of Pinellas
Operating revenues and (expenses)	
Tenant revenue, net	\$ 1,444,968
Other revenue	13,058
Depreciation	(428,153)
Other operating expenses	(590,669)
Operating income	439,204
Nonoperating revenues (expenses)	
Interest income	1,600
Interest expense	(568,681)
Change in swap agreements	(126,476)
Transfer to other programs	(20,173)
Change in net position	(274,526)
Beginning net position	(777,707)
Total net position - ending net position	\$ (1,052,233)

Condensed Statement of Cash Flows

	Palms of Pinellas
Net cash provided by (used in):	
Operating activities	\$ 839,873
Capital and related financing activities	(750,929)
Investing activities	1,600
Net increase in cash	90,544
Beginning cash	427,135
Ending cash	\$ 517,679

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE C - DISCRETE COMPONENT UNITS NOTES

1. Condensed discrete component unit information

Condensed component unit information for the Authority's discrete component units as listed in Note A-1 is presented below.

Condensed Statement of Net Position

	Pinellas Heights, LLLP	Landings at Cross Bayou, LLLP	Valor Preserve, LLLP (Unaudited)	Total discrete component units
Assets:				
Current assets - unrestricted	\$ 674,179	\$ 218,774	\$ 86,496	\$ 979,449
Current assets - restricted	1,120,969	973,854	-	2,094,823
Capital assets, net	15,322,287	18,209,758	16,546,501	50,078,546
Right-of-use assets	-	6,652	-	6,652
Total assets	<u>17,117,435</u>	<u>19,409,038</u>	<u>16,632,997</u>	<u>53,159,470</u>
Liabilities:				
Current liabilities	3,392,444	1,759,090	9,285,098	14,436,632
Noncurrent liabilities	<u>12,591,474</u>	<u>7,707,108</u>	<u>4,931,097</u>	<u>25,229,679</u>
Total liabilities	<u>15,983,918</u>	<u>9,466,198</u>	<u>14,216,195</u>	<u>39,666,311</u>
Net position:				
Net investment in capital assets	2,598,148	10,454,438	4,705,210	17,757,796
Restricted	783,672	615,000	-	1,398,672
Unrestricted	<u>(2,248,303)</u>	<u>(1,126,598)</u>	<u>(2,288,408)</u>	<u>(5,663,309)</u>
Total net position	<u><u>\$ 1,133,517</u></u>	<u><u>\$ 9,942,840</u></u>	<u><u>\$ 2,416,802</u></u>	<u><u>\$ 13,493,159</u></u>

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE C - DISCRETE COMPONENT UNITS NOTES (continued)

1. Condensed discrete component unit information (continued)

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

	Pinellas Heights, LLLP	Landings at Cross Bayou, LLLP	Valor Preserve, LLLP (Unaudited)	Total discrete component units
Operating revenues and (expenses)				
Tenant revenue, net	\$ 1,575,888	\$ 1,478,340	\$ -	\$ 3,054,228
Other revenue	88,251	112,597	-	200,848
Depreciation	(859,279)	(601,210)	-	(1,460,489)
Other operating expenses	(1,162,263)	(1,419,549)	(207)	(2,582,019)
Operating loss	(357,403)	(429,822)	(207)	(787,432)
Nonoperating revenues and (expenses)				
Interest income	62,231	-	-	62,231
Interest expense	(617,514)	(336,029)	-	(953,543)
Change in net position	(912,686)	(765,851)	(207)	(1,678,744)
Beginning net position	2,046,203	10,708,691	2,417,009	15,171,903
Ending net position	<u>\$ 1,133,517</u>	<u>\$ 9,942,840</u>	<u>\$ 2,416,802</u>	<u>\$ 13,493,159</u>

2. Capital assets

A summary of changes in capital assets for the Authority's discretely presented component units is as follows, for the fiscal year ended December 31, 2023:

	Balance at January 1, 2023	Transfers in/ additions	Transfers out/ deletions	Balance at December 31, 2023
Non-depreciable:				
Land	\$ 3,175,650	\$ -	\$ -	\$ 3,175,650
Construction in progress	-	16,546,501	-	16,546,501
Total non-depreciable	3,175,650	16,546,501	-	19,722,151
Depreciated:				
Buildings and improvements	42,147,347	163,960	-	42,311,307
Equipment	166,707	10,857	-	177,564
Land/site improvements	1,694,355	-	(163,960)	1,530,395
Total depreciated	44,008,409	174,817	(163,960)	44,019,266
Total capital assets	47,184,059	16,721,318	(163,960)	63,741,417
Total accumulated depreciation	(12,195,730)	(1,460,489)	-	(13,656,219)
Capital assets, net	<u>\$ 34,988,329</u>	<u>\$ 15,260,829</u>	<u>\$ (163,960)</u>	<u>\$ 50,085,198</u>

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

For the year ended December 31, 2023

NOTE C - DISCRETE COMPONENT UNITS NOTES (continued)

3. Noncurrent liabilities

A summary of changes in noncurrent liabilities for the Authority's discretely presented component units is as follows, for the fiscal year ended December 31, 2023:

	Payable at January 1, 2023	Additions	Reductions	Payable at December 31, 2023	Due within one year
Pinellas Heights, LLLP					
Chase loan	\$ 4,955,921	\$ -	\$ (126,782)	\$ 4,829,139	\$ 132,665
Authority notes	6,650,000	-	-	6,650,000	-
County loan	1,245,000	-	-	1,245,000	-
Landings at Cross Bayou, LLLP					
Raymond James loan	1,673,668	-	(42,192)	1,631,476	44,351
Authority loan	5,855,000	-	-	5,855,000	-
County loan	273,816	-	(4,972)	268,844	5,110
Valor Preserve, LLLP					
Authority notes	-	1,600,000	-	1,600,000	-
Construction loan	-	10,241,291	-	10,241,291	6,910,194
Total noncurrent liabilities	<u>\$ 20,653,405</u>	<u>\$ 11,841,291</u>	<u>\$ (173,946)</u>	<u>\$ 32,320,750</u>	<u>\$ 7,092,320</u>

a. *Pinellas Heights, LLLP*

i). Chase loan

In 2014, the Partnership obtained a loan in the original amount of \$5,775,000 from JPMorgan Chase Bank, N.A., with an interest rate of 5%. Principal and interest are payable by the Partnership in equal monthly installments of \$31,258 through March 2033. As of December 31, 2023, there was no accrued interest payable. For the year ended December 31, 2023, interest expense was \$248,308.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE C - DISCRETE COMPONENT UNITS NOTES (continued)

3. Noncurrent liabilities (continued)

a. *Pinellas Heights, LLLP (continued)*

i). Chase loan (continued)

As of December 31, 2023 the future principal and interest maturities for the Chase loan are as follows for the years ending December 31:

	Principal
2024	\$ 132,665
2025	140,243
2026	147,520
2027	155,174
2028	162,616
Thereafter	4,090,921
	<u>\$ 4,829,139</u>

ii). Authority notes

In 2014, the Authority loaned the Partnership \$6,650,000. The loan is divided into two notes. The first note is \$5,500,000 and has a compounded interest of 4%. Interest and principal are paid from 55% of net cash flow each year on September 1st and, to the extent not paid due to lack of cash flow, accrues until maturity. All principal and accrued interest is due September 11, 2042. The second note is \$1,150,000 and is interest-free, and all principal is due upon maturity. Accrued interest as of December 31, 2023 was \$3,128,264. For the year ended December 31, 2023, interest expense was \$331,856.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE C - DISCRETE COMPONENT UNITS NOTES (continued)

3. Noncurrent liabilities (continued)

a. *Pinellas Heights, LLLP (continued)*

iii). County loan

In 2014, the Partnership obtained a loan in the original amount of \$1,245,000 from Pinellas County, Florida. No payments were due and interest did not accrue, through September 1, 2015. From September 1, 2015 through September 1, 2034, interest-only payments are fixed at \$1,038 per month, which reflects an interest rate of 1%. In addition, a "soft obligation" annual interest payment, calculated at 2% of the principal or \$24,900, is due each year commencing September 1, 2016 and continuing until September 1, 2034, contingent on there being sufficient cash flow. This soft obligation is required to be made prior to any other soft debt payments. Commencing in September 1, 2034, a combined payment of principal and interest is due each month in the amount of \$5,249, reflecting an interest rate of 3%.

The loan is due in full September 1, 2045. As of December 31, 2023, accrued interest amounted to \$8,300. For the year ended December 31, 2023, interest expense was \$37,350.

b. *Landings at Cross Bayou, LLLP*

i). Raymond James Loan

On November 26, 2013, the Partnership obtained a loan in the original amount of \$2,000,000 from Raymond James Bank, N.A. with an interest rate of 5.00%. Principal and interest are payable by the Partnership in equal monthly installments of \$10,736 through maturity on October 15, 2031, at which time all unpaid principal and accrued interest is due. During the year ended September 30, 2023 interest expense was \$86,645. There was no accrued interest as of September 30, 2023. The principal balance as of September 30, 2023 was \$1,631,476, which is net of unamortized debt issuance cost of \$78,403. The amortization of debt issuance costs of \$3,733 for year ended September 30, 2023, and is included in interest expense on the statement of revenues, expenses, and changes in net position.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE C - DISCRETE COMPONENT UNITS NOTES (continued)

3. Noncurrent liabilities (continued)

b. *Landings at Cross Bayou, LLLP (continued)*

i). Raymond James loan (continued)

As of September 30, 2023, the future principal maturities for the Raymond James loan are as follows for the years ending September 30:

	Principal
2024	\$ 44,351
2025	46,620
2026	49,005
2027	51,512
2028	54,146
Thereafter	1,464,245
Total	1,709,879
Less debt issuance costs	(78,403)
	<u>\$ 1,631,476</u>

ii). Authority loan

On November 26, 2013, the Partnership obtained a loan in the original amount of \$5,855,000 from the Authority with an interest rate of 3.32%. The loan matures on November 26, 2043. Principal and interest are payable from net cash flow as defined in the amended and restated partnership agreement. During the year ended September 30, 2023, interest expense was \$240,505. Accrued interest as of September 30, 2023 amounted to \$1,505,424.

iii). County loan

On November 26, 2013, the Partnership obtained a loan in the original amount of \$300,000 from Pinellas County which is due and payable on November 30, 2046. Repayment of \$100,000 of the principal balance will be forgiven thirty three years from the date of the loan. The balance of \$200,000 bears interest at 3.00% per annum. Monthly principal and interest payments of \$843 were deferred until December 1, 2016 and no interest was accrued until that time. During the year ended September 30, 2023, interest expense was \$5,146. There was no accrued interest as of September 30, 2023.

Pinellas County Housing Authority
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE C - DISCRETE COMPONENT UNITS NOTES (continued)

3. Noncurrent liabilities (continued)

b. *Landings at Cross Bayou, LLLP (continued)*

iii). County loan (continued)

As of September 30, 2023, the future principal maturities for the County loan are as follows for the years ending September 30:

	Principal
2024	\$ 5,110
2025	5,279
2026	5,440
2027	5,605
2028	5,764
Thereafter	241,646
	<u>\$ 268,844</u>

c. *Valor Preserve, LLLP*

i). Authority loan

On February 10, 2023, the Partnership obtained two loans not to exceed \$1,600,000. The first note is \$300,000 and the second note is \$1,300,000. Both notes have a maturity date of February 10, 2056 and an interest rate of 12% per annum on any due balances not paid. Principal and interest shall be paid annually, to the extent available from cash flows. As of December 31, 2023 there was no accrued interest payable. For the year ended December 31, 2023, there was no interest expense incurred.

ii). Construction loan

On February 10, 2023, the Partnership obtained a loan for the construction of Valor Preserve at Lake Seminole for a total amount not to exceed \$13,000,000. The sources of the Promissory Note consist of all unrestricted funds. The note has a maturity date of February 10, 2025 with interest rate of not less than 4.0% per annum. Upon maturity the note will convert to permanent financing.

REQUIRED SUPPLEMENTARY INFORMATION

Pinellas County Housing Authority

**SCHEDULE OF CHANGES IN PROPORTIONAL SHARE OF NET PENSION LIABILITY
AND CONTRIBUTIONS - LAST TEN FISCAL YEARS*
FLORIDA RETIREMENT SYSTEM**

For the year ended December 31, 2023

Fiscal year	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportional share percentage	0.006566%	0.007728%	0.008323%	0.007518%	0.007837%	0.007139%	0.007283%	0.007250%	0.007200%
Net pension liability	\$ 2,616,271	\$ 2,875,289	\$ 628,727	\$ 3,258,322	\$ 2,698,946	\$ 2,150,183	\$ 2,154,186	\$ 1,803,807	\$ 936,402
Covered payroll*	4,039,807	4,361,196	4,170,868	4,146,256	4,198,688	3,578,467	3,759,895	3,775,825	3,710,255
Net pension liability as percentage of covered payroll*	64.76%	65.93%	15.07%	78.58%	64.28%	60.09%	57.29%	47.77%	25.24%
Plan fiduciary net position as a percentage of the total pension liability*	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	96.09%
Contractually required contribution	535,295	425,363	401,943	249,783	243,003	203,444	189,588	174,212	174,731
Contributions in relation to the contractually required contribution	(343,942)	(425,363)	(401,943)	(249,783)	(243,003)	(203,444)	(189,588)	(174,212)	(174,731)
Contribution deficiency (excess)	\$ 191,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	4,673,239	4,382,009	4,271,193	4,146,256	4,198,688	3,578,467	3,759,895	3,775,825	3,710,255
Contributions as a percentage of covered payroll	11.45%	9.71%	9.41%	6.02%	5.79%	5.69%	5.04%	4.61%	4.71%

*The amounts presented for each fiscal year were determined as of June 30.

Note 1:
GASB No. 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for only those years for which information is available.

Note 2:
The Plan's fiduciary net position as a percentage of the total pension liability is published in the FRS Annual Comprehensive Financial Report (See Note B-7-b for reference to FRS ACFR information).

See independent auditor's report.

Pinellas County Housing Authority

**SCHEDULE OF CHANGES IN PROPORTIONAL SHARE OF NET PENSION LIABILITY
AND CONTRIBUTIONS - LAST TEN FISCAL YEARS*
HEALTH INSURANCE SUBSIDY**

For the year ended December 31, 2023

Fiscal year	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportional share percentage	0.011145%	0.011956%	0.011781%	0.011939%	0.012241%	0.011608%	0.012200%	0.0114%	0.0111%
Net pension liability	\$ 1,770,210	\$ 1,266,323	\$ 1,445,160	\$ 1,457,220	\$ 1,369,665	\$ 1,228,624	\$ 1,304,295	\$ 1,407,161	\$ 1,159,800
Covered payroll*	4,039,807	4,361,196	4,170,868	4,146,256	4,198,688	3,578,467	3,759,895	3,775,825	3,710,255
Net pension liability as percentage of covered payroll*	43.82%	29.04%	34.65%	35.15%	32.62%	34.33%	34.69%	37.27%	31.26%
Plan fiduciary net position as a percentage of the total pension liability*	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.99%
Contractually required contribution	89,788	72,741	70,902	68,798	67,974	62,952	64,557	61,886	47,852
Contributions in relation to the contractually required contribution	(89,788)	(72,741)	(70,902)	(68,798)	(67,974)	(62,952)	(64,557)	(61,886)	(47,852)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	4,673,239	4,382,009	4,271,183	4,146,256	4,198,688	3,578,467	3,759,895	3,775,825	3,710,255
Contributions as a percentage of covered payroll	1.92%	1.66%	1.66%	1.66%	1.62%	1.76%	1.72%	1.64%	1.29%

*The amounts presented for each fiscal year were determined as of June 30.

Note 1:
GASB No. 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for only those years for which information is available.

Note 2:
The Plan's fiduciary net position as a percentage of the total pension liability is published in the HIS Annual Comprehensive Financial Report (See Note B-7-b for reference to HIS ACFR information).

See independent auditor's report.

SUPPLEMENTARY INFORMATION

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023																
Line Item No.	Account Description	AMP 2 Rainbow Village Operating 14.850	AMP 2 Rainbow Village Capital Fund 14.872	AMP 4 Lakeside Terrace Operating 14.850	AMP 4 Lakeside Terrace Capital Fund 14.872	AMP 9 French Villas Operating 14.850	AMP 9 French Villas Capital Fund 14.872	AMP 10 Magnolia Gardens Operating 14.850	AMP 10 Magnolia Gardens Capital Fund 14.872	AMP 11 Pinellas Heights Operating 14.850	AMP 11 Pinellas Heights Capital Fund 14.872	AMP 12 Scattered Sites Operating 14.850	AMP 12 Scattered Sites Capital Fund 14.872	AMP Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS
111	Cash - Unrestricted	1,695,558	-	-	-	431,895	-	-	-	-	-	-	-	-	-	2,127,453
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	48,162	-	-	-	-	-	-	-	-	-	-	-	-	-	48,162
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	1,743,720	-	-	-	431,895	-	-	-	-	-	-	-	-	-	2,175,615
122	Accounts Receivable - HUD	11,221	-	-	-	-	-	-	-	469	-	-	-	-	-	11,690
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126	Accounts Receivable - Tenants Dwelling Rents	23,496	-	-	-	-	-	-	-	-	-	-	-	-	-	23,496
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(7,552)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,552)
120	Total Receivables, net of allowances for doubtful accounts	27,165	-	-	-	-	-	-	-	469	-	-	-	-	-	27,634
142	Prepaid Expenses and Other Assets	221,102	-	-	-	-	-	-	-	-	-	-	-	-	-	221,102
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	469	-	-	-	-	-	-	-	-	-	-	-	-	-	469
150	Total Current Assets	1,992,456	-	-	-	431,895	-	-	-	469	-	-	-	-	-	2,424,820
161	Land	92,655	-	-	-	-	-	-	-	-	-	-	-	-	-	92,655
162	Buildings	13,147,621	-	-	-	-	-	-	-	3,148	-	-	-	-	-	13,150,769
164	Furniture, Equipment & Machinery - Administration	150,507	-	-	-	-	-	-	-	-	-	-	-	-	-	150,507
165	Leasehold Improvements	56,943	-	-	-	-	-	-	-	-	-	-	-	-	-	56,943
166	Accumulated Depreciation	(12,710,667)	-	-	-	-	-	-	-	(3,148)	-	-	-	-	-	(12,713,815)
167	Construction In Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	737,059	-	-	-	-	-	-	-	-	-	-	-	-	-	737,059
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	7,422,189	-	-	-	4,706,326	-	-	-	-	-	12,128,515
174	Other Assets	5,897	-	-	-	-	-	-	-	-	-	-	-	-	-	5,897
180	Total Non-Current Assets	742,956	-	-	-	7,422,189	-	-	-	4,706,326	-	-	-	-	-	12,871,471
190	Total Assets	2,735,412	-	-	-	7,854,084	-	-	-	4,706,795	-	-	-	-	-	15,296,291
200	Deferred Outflow of Resources	195,577	-	-	-	-	-	-	-	-	-	-	-	-	-	195,577
290	Total Assets and Deferred Outflows	2,930,989	-	-	-	7,854,084	-	-	-	4,706,795	-	-	-	-	-	15,491,868

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023																
Line Item No.	Account Description	AMP 2 Rainbow Village Operating 14.850	AMP 2 Rainbow Village Capital Fund 14.872	AMP 4 Lakeside Terrace Operating 14.850	AMP 4 Lakeside Terrace Capital Fund 14.872	AMP 9 French Villas Operating 14.850	AMP 9 French Villas Capital Fund 14.872	AMP 10 Magnolia Gardens Operating 14.850	AMP 10 Magnolia Gardens Capital Fund 14.872	AMP 11 Pinellas Heights Operating 14.850	AMP 11 Pinellas Heights Capital Fund 14.872	AMP 12 Scattered Sites Operating 14.850	AMP 12 Scattered Sites Capital Fund 14.872	AMP Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS
312	Accounts Payable <= 90 Days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	12,288	-	-	-	-	-	-	-	-	-	-	-	-	-	12,288
322	Accrued Compensated Absences	10,010	-	-	-	-	-	-	-	-	-	-	-	-	-	10,010
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	48,162	-	-	-	-	-	-	-	-	-	-	-	-	-	48,162
342	Unearned Revenues	11,068	-	-	-	-	-	-	-	-	-	-	-	-	-	11,068
343	Current portion of L-T debt - capital projects	7,672	-	-	-	-	-	-	-	-	-	-	-	-	-	7,672
345	Other current liabilities	64,063	-	-	-	-	-	-	-	-	-	-	-	-	-	64,063
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram due to	-	-	-	-	-	-	-	-	469	-	-	-	-	-	469
310	Total Current Liabilities	153,263	-	-	-	-	-	-	-	469	-	-	-	-	-	153,732
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absenses - Non Current	6,321	-	-	-	-	-	-	-	-	-	-	-	-	-	6,321
357	Net Pension Liability	776,672	-	-	-	-	-	-	-	-	-	-	-	-	-	776,672
350	Total Noncurrent Liabilities	782,993	-	-	-	-	-	-	-	-	-	-	-	-	-	782,993
300	Total Liabilities	936,256	-	-	-	-	-	-	-	469	-	-	-	-	-	936,725
400	Deferred Inflow of Resources	125,893	-	-	-	-	-	-	-	-	-	-	-	-	-	125,893
508.4	Net Investment in Capital Assets	729,387	-	-	-	-	-	-	-	-	-	-	-	-	-	729,387
511.4	Restricted Net Position	-	-	-	-	7,422,189	-	-	-	4,706,326	-	-	-	-	-	12,128,515
512.4	Unrestricted Net Position	1,139,453	-	-	-	431,895	-	-	-	-	-	-	-	-	-	1,571,348
513	Total Equity	1,868,840	-	-	-	7,854,084	-	-	-	4,706,326	-	-	-	-	-	14,429,250
600	Total Liabilities, Deferred Inflows and Equity	2,930,989	-	-	-	7,854,084	-	-	-	4,706,795	-	-	-	-	-	15,491,868

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023																
Line Item No.	Account Description	AMP 2 Rainbow Village Operating 14.850	AMP 2 Rainbow Village Capital Fund 14.872	AMP 4 Lakeside Terrace Operating 14.850	AMP 4 Lakeside Terrace Capital Fund 14.872	AMP 9 French Villas Operating 14.850	AMP 9 French Villas Capital Fund 14.872	AMP 10 Magnolia Gardens Operating 14.850	AMP 10 Magnolia Gardens Capital Fund 14.872	AMP 11 Pinellas Heights Operating 14.850	AMP 11 Pinellas Heights Capital Fund 14.872	AMP 12 Scattered Sites Operating 14.850	AMP 12 Scattered Sites Capital Fund 14.872	AMP Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS
70300	Net Tenant Rental Revenue	819,085	-	-	-	-	-	-	-	-	-	-	-	-	-	819,085
70400	Tenant Revenue - Other	17,638	-	-	-	-	-	-	-	-	-	-	-	-	-	17,638
70500	Total Tenant Revenue	836,723	-	-	-	-	-	-	-	-	-	-	-	-	-	836,723
70600	HUD PHA Grants	1,135,449	228,667	-	-	-	-	-	-	45,828	1,897	-	-	-	-	1,411,841
70610	HUD PHA Capital Grants	-	34,509	-	-	-	-	-	-	-	-	-	-	-	-	34,509
70710	Management Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	116,101	-	-	-	-	-	-	-	-	-	-	-	-	-	116,101
71200	Mortgage interest income	-	-	-	-	242,041	-	-	-	181,013	-	-	-	-	-	423,054
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	2,088,273	263,176	-	-	242,041	-	-	-	226,841	1,897	-	-	-	-	2,822,228
91100	Administrative Salaries	165,562	-	-	-	-	-	-	-	1,419	-	-	-	-	-	166,981
91200	Accounting and Auditing Fees	6,181	-	-	-	-	-	-	-	-	-	-	-	-	-	6,181
91300	Management Fee	173,542	65,000	-	-	-	-	-	-	-	-	-	-	-	-	238,542
91310	Book-keeping Fee	17,213	-	-	-	-	-	-	-	-	-	-	-	-	-	17,213
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	135,521	-	-	-	-	-	-	-	478	-	-	-	-	-	135,999
91600	Office Expenses	2,474	-	-	-	-	-	-	-	-	-	-	-	-	-	2,474
91700	Legal Expense	22,135	-	-	-	-	-	-	-	-	-	-	-	-	-	22,135
91800	Travel	769	-	-	-	-	-	-	-	-	-	-	-	-	-	769
91900	Other	82,561	-	-	-	-	-	-	-	-	-	-	-	-	-	82,561
92000	Asset Management Fee Expense	23,470	-	-	-	-	-	-	-	-	-	-	-	-	-	23,470
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	6,071	-	-	-	-	-	-	-	-	-	-	-	-	-	6,071
93100	Water	292,167	-	-	-	-	-	-	-	-	-	-	-	-	-	292,167
93200	Electricity	69,190	-	-	-	-	-	-	-	-	-	-	-	-	-	69,190
93300	Gas	40,589	-	-	-	-	-	-	-	-	-	-	-	-	-	40,589
93600	Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	201,144	-	-	-	-	-	-	-	-	-	-	-	-	-	201,144
94200	OMO - Materials and Other	212,933	-	-	-	-	-	-	-	-	-	-	-	-	-	212,933
94300	OMO - Contract Costs	860,638	-	-	-	-	-	-	-	-	-	-	-	-	-	860,638
94500	Employee Benefit Contributions - Ordinary Maintenance	85,260	-	-	-	-	-	-	-	-	-	-	-	-	-	85,260
95200	Protective Services - Other Contract Costs	108,351	-	-	-	-	-	-	-	-	-	-	-	-	-	108,351

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023																
Line Item No.	Account Description	AMP 2 Rainbow Village Operating 14.850	AMP 2 Rainbow Village Capital Fund 14.872	AMP 4 Lakeside Terrace Operating 14.850	AMP 4 Lakeside Terrace Capital Fund 14.872	AMP 9 French Villas Operating 14.850	AMP 9 French Villas Capital Fund 14.872	AMP 10 Magnolia Gardens Operating 14.850	AMP 10 Magnolia Gardens Capital Fund 14.872	AMP 11 Pinellas Heights Operating 14.850	AMP 11 Pinellas Heights Capital Fund 14.872	AMP 12 Scattered Sites Operating 14.850	AMP 12 Scattered Sites Capital Fund 14.872	AMP Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS
96110	Property Insurance	150,769	-	-	-	-	-	-	-	-	-	-	-	-	-	150,769
96120	Liability Insurance	3,931	-	-	-	-	-	-	-	-	-	-	-	-	-	3,931
96130	Workmen's Compensasion	9,089	-	-	-	-	-	-	-	-	-	-	-	-	-	9,089
96140	All Other Insurance	12,193	-	-	-	-	-	-	-	-	-	-	-	-	-	12,193
96200	Other General Expenses	4,212	-	-	-	-	-	-	-	45,828	-	-	-	-	-	50,040
96210	Compensated Absences	25,678	-	-	-	-	-	-	-	-	-	-	-	-	-	25,678
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	21,542	-	-	-	-	-	-	-	-	-	-	-	-	-	21,542
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest on Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	765	-	-	-	-	-	-	-	-	-	-	-	-	-	765
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	2,733,950	65,000	-	-	-	-	-	-	47,725	-	-	-	-	-	2,846,675
97000	Excess Operating Revenue over Operating Expenses	(645,677)	198,176	-	-	242,041	-	-	-	179,116	1,897	-	-	-	-	(24,447)
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	312,768	-	-	-	-	-	-	-	-	-	-	-	-	-	312,768
90000	Total Expenses	3,046,718	65,000	-	-	-	-	-	-	47,725	-	-	-	-	-	3,159,443
10010	Operating transfers in	163,667	-	-	-	-	-	-	-	1,897	-	-	-	-	-	165,564
10020	Operating transfers out	-	(163,667)	-	-	-	-	-	-	-	(1,897)	-	-	-	-	(165,564)
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary Items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	163,667	(163,667)	-	-	-	-	-	-	1,897	(1,897)	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	(794,778)	34,509	-	-	242,041	-	-	-	181,013	-	-	-	-	-	(337,215)
11020	Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	2,629,109	-	-	-	7,612,043	-	-	-	4,525,313	-	-	-	-	-	14,766,465
11040	Prior Period Adjustments, Equity Transfer and Correction of Errors	34,509	(34,509)	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	2,400	-	-	-	-	-	-	-	21	-	-	-	-	-	2,421
11210	Number of Unit Months Leased	2,295	-	-	-	-	-	-	-	21	-	-	-	-	-	2,316
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	1,390,262	-	-	-	431,895	-	-	-	(3,977)	-	-	-	-	-	1,818,180
11620	Building Purchases	-	22,050	-	-	-	-	-	-	-	-	-	-	-	-	22,050
11650	Leasehold Improvement Purchases	-	12,459	-	-	-	-	-	-	-	-	-	-	-	-	12,459

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023													
Line Item No.	Account Description	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	FSS Escrow Forfeiture Account 14.EFA	FSS 14.869	Central Office Cost Center	Business Activities Total	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Lakeside Terrace, LLC
111	Cash - Unrestricted	2,654,678	200	166,898	-	-	-	2,004,830	3,057,849	6,957,097	301,879	-	178,547
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	622,137
113	Cash - other restricted	57,132	-	-	-	33,864	-	-	-	980,704	-	-	-
114	Cash - Tenant Security Deposits	-	14,461	-	-	-	-	-	179,449	282,514	-	-	11,650
115	Cash - Restricted for payment of current liability	42,178	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	2,753,988	14,661	166,898	-	33,864	-	2,004,830	3,237,298	8,220,315	301,879	-	812,334
122	Accounts Receivable - HUD	792,864	-	6,006	262,131	-	28,266	-	-	-	-	-	-
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	242,129	-	-	-	-	-	-	-	99,484	1,908,026	-	-
126	Accounts Receivable - Tenants Dwelling Rents	-	4,058	-	-	-	-	-	3,972	35,973	-	-	4,884
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	(1,440)	-	-	-	-	-	(507)	(7,139)	-	-	(1,207)
120	Total Receivables, net of allowances for doubtful accounts	1,034,993	2,618	6,006	262,131	-	28,266	-	3,465	128,318	1,908,026	-	3,677
142	Prepaid Expenses and Other Assets	7,464	46,475	-	-	-	533	13,173	714,390	305,060	-	-	74,400
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	155,009	-	-	-	-	-	-	1,643,636	1,306,553	823,565	-	-
150	Total Current Assets	3,951,454	63,754	172,904	262,131	33,864	28,799	2,018,003	5,598,789	9,960,246	3,033,470	-	890,411
161	Land	-	-	-	-	-	-	-	5,655,795	6,497,859	-	-	154,800
162	Buildings	-	4,107,803	-	-	-	-	-	42,962,161	45,084,889	-	-	319,623
164	Furniture, Equipment & Machinery - Administration	126,879	3,368	-	-	-	-	63,411	142,939	404,077	-	-	4,782
165	Leasehold Improvements	39,813	108,591	-	-	-	-	832,144	226,459	121,675	-	-	17,073
166	Accumulated Depreciation	(138,804)	(2,426,812)	-	-	-	-	(290,737)	(20,912,235)	(36,148,036)	-	-	(182,403)
167	Construction In Progress	-	-	-	-	-	-	-	-	-	-	-	1,139,167
160	Total Fixed Assets, Net of Accumulated Depreciation	27,888	1,792,950	-	-	-	-	604,818	28,075,119	15,960,464	-	-	1,453,042
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	-	6,371,938	3,706,355	-	-	-
174	Other Assets	-	-	-	-	-	-	-	366,352	-	-	-	-
180	Total Non-Current Assets	27,888	1,792,950	-	-	-	-	604,818	34,813,409	19,666,819	-	-	1,453,042
190	Total Assets	3,979,342	1,856,704	172,904	262,131	33,864	28,799	2,622,821	40,412,198	29,627,065	3,033,470	-	2,343,453
200	Deferred Outflow of Resources	246,708	16,049	-	-	-	-	308,850	534,046	155,648	-	-	-
290	Total Assets and Deferred Outflows	4,226,050	1,872,753	172,904	262,131	33,864	28,799	2,931,671	40,946,244	29,782,713	3,033,470	-	2,343,453

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023													
Line Item No.	Account Description	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	FSS Escrow Forfeiture Account 14.EFA	FSS 14.869	Central Office Cost Center	Business Activities Total	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Lakeside Terrace, LLC
312	Accounts Payable <= 90 Days	242,129	-	-	-	-	-	44,359	-	176,689	-	-	-
321	Accrued Wage/Payroll Taxes Payable	53,877	2,136	-	-	-	-	28,275	45,560	26,536	-	-	4,402
322	Accrued Compensated Absences	53,325	1,093	-	-	-	-	76,446	14,069	31,662	-	-	4,868
325	Accrued interest payable	-	2,154	-	-	-	-	-	97,126	20,889	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	95,802	126,054	-	-	-
341	Tenant Security Deposits	-	14,461	-	-	-	-	-	179,449	282,514	-	-	11,650
342	Unearned Revenues	-	14	-	-	-	-	-	14,540	7,515	-	-	2,441
343	Current portion of L-T debt - capital projects	4,961	23,390	-	-	-	-	250,971	921,861	5,155,091	-	-	2,632
345	Other current liabilities	44,835	20,183	-	-	-	-	13,389	14,790	73,865	-	-	258,273
346	Accrued liabilities - other	-	-	-	-	-	-	-	7,063	-	-	-	-
347	Interprogram due to	-	980,322	-	126,210	-	28,799	-	2,179,646	-	-	600,000	-
310	Total Current Liabilities	399,127	1,043,753	-	126,210	-	28,799	413,440	3,569,906	5,900,815	-	600,000	284,266
351	Long-term debt, net of current - capital projects	-	1,599,186	-	-	-	-	352,092	21,872,790	7,567,413	-	-	-
352	Long-Term debt, net of current - operating borrowings	-	367,316	-	-	-	-	-	282,340	3,339,039	-	-	-
353	Noncurrent Liabilities - Other	57,132	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absenses - Non Current	61,293	-	-	-	-	-	77,269	14,926	40,759	-	-	5,177
357	Net Pension Liability	969,100	64,916	-	-	-	-	1,191,666	653,810	730,317	-	-	-
350	Total Noncurrent Liabilities	1,087,525	2,031,418	-	-	-	-	1,621,027	22,823,866	11,677,528	-	-	5,177
300	Total Liabilities	1,486,652	3,075,171	-	126,210	-	28,799	2,034,467	26,393,772	17,578,343	-	600,000	289,443
400	Deferred Inflow of Resources	128,458	8,814	-	-	-	-	155,541	144,873	110,174	-	-	-
508.4	Net Investment in Capital Assets	22,927	170,374	-	-	-	-	1,755	5,280,468	3,237,960	-	-	1,450,410
511.4	Restricted Net Position	-	-	-	-	33,864	-	-	1,150,000	980,704	-	-	622,137
512.4	Unrestricted Net Position	2,588,013	(1,381,606)	172,904	135,921	-	-	739,908	7,977,131	7,875,532	3,033,470	(600,000)	(18,537)
513	Total Equity	2,610,940	(1,211,232)	172,904	135,921	33,864	-	741,663	14,407,599	12,094,196	3,033,470	(600,000)	2,054,010
600	Total Liabilities, Deferred Inflows and Equity	4,226,050	1,872,753	172,904	262,131	33,864	28,799	2,931,671	40,946,244	29,782,713	3,033,470	-	2,343,453

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023													
Line Item No.	Account Description	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	FSS Escrow Forfeiture Account 14.EFA	FSS 14.869	Central Office Cost Center	Business Activities Total	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Lakeside Terrace, LLC
70300	Net Tenant Rental Revenue	-	177,197	-	-	-	-	-	4,733,391	9,455,319	-	-	927,997
70400	Tenant Revenue - Other	-	515	-	-	-	-	-	322,917	34,915	-	-	8,458
70500	Total Tenant Revenue	-	177,712	-	-	-	-	-	5,056,308	9,490,234	-	-	936,455
70600	HUD PHA Grants	39,834,955	494,227	1,617,733	1,011,368	-	122,000	-	-	-	-	-	-
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management Fee Revenue	-	-	-	-	-	-	750,378	-	-	-	-	-
70720	Asset Management Fee Revenue	-	-	-	-	-	-	23,470	-	-	-	-	-
70730	Bookkeeping Fee Revenue	-	-	-	-	-	-	337,110	-	-	-	-	-
70750	Other Fee Revenue	-	-	-	-	-	-	147,301	1,571,322	-	-	-	-
71100	Investment Income - Unrestricted	174,509	3,983	9,770	-	-	-	106,376	144,745	412,787	56,713	-	68,514
71200	Mortgage interest income	-	-	-	-	-	-	-	150,844	11,284	-	-	-
71400	Fraud recovery	28,470	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	68,888	3,139	-	-	19,024	-	549	2,271,756	73,736	325,941	-	3,756
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	40,106,822	679,061	1,627,503	1,011,368	19,024	122,000	1,365,184	9,194,975	9,988,041	382,654	-	1,008,725
91100	Administrative Salaries	1,008,897	12,603	-	-	-	77,069	469,871	967,082	521,540	-	-	41,055
91200	Accounting and Auditing Fees	26,734	1,580	-	-	-	-	11,133	13,541	23,917	-	-	3,740
91300	Management Fee	511,836	40,769	-	-	-	-	-	394,347	614,270	-	-	109,118
91310	Book-keeping Fee	319,897	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	12,130	14,114	-	-	-
91500	Employee Benefit Contributions - Administrative	549,881	8,063	-	-	-	43,153	402,381	479,093	255,850	-	-	16,758
91600	Office Expenses	35,660	162	-	-	-	-	4,420	6,246	12,548	-	-	1,634
91700	Legal Expense	7,203	6,296	-	-	-	-	4,870	8,769	11,761	4,397	-	8,784
91800	Travel	7,302	-	-	-	-	-	30,833	21,488	687	-	-	254
91900	Other	410,055	28,296	500	-	-	1,778	315,589	522,382	511,029	7,689	-	141,275
92000	Asset Management Fee Expense	-	-	-	-	-	-	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	1,063,397	-	-	144
92200	Relocation Costs	-	-	-	-	-	-	-	-	587	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	113,367	-	-	-
92400	Tenant Services - Other	71	12,497	81,120	-	-	-	3,725	17,543	416,132	-	-	15,248
93100	Water	-	68,371	-	-	-	-	-	271,657	748,060	-	-	102,364
93200	Electricity	-	11,754	-	-	-	-	-	138,544	262,881	-	-	4,254
93300	Gas	-	427	-	-	-	-	-	13,081	26,907	-	-	1,704
93600	Sewer	-	-	-	-	-	-	-	-	49,703	-	-	-
94100	Ordinary Maintenance and Operations - Labor	-	62,718	-	-	-	-	-	203,564	526,144	-	-	60,063
94200	OMO - Materials and Other	12,288	52,759	-	-	-	-	16,757	189,227	440,245	-	-	41,586
94300	OMO - Contract Costs	-	259,367	-	-	-	-	-	639,964	1,305,233	-	-	120,928
94500	Employee Benefit Contributions - Ordinary Maintenance	-	22,512	-	-	-	-	-	99,424	225,587	-	-	24,202
95200	Protective Services - Other Contract Costs	-	4,182	-	-	-	-	-	44,057	68,594	-	-	14,220

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023													
Line Item No.	Account Description	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Emergency Housing Voucher 14.EHV	Mainstream Voucher Program 14.879	FSS Escrow Forfeiture Account 14.EFA	FSS 14.869	Central Office Cost Center	Business Activities Total	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Lakeside Terrace, LLC
96110	Property Insurance	23,998	32,127	-	-	-	-	7,518	480,493	747,179	-	-	52,726
96120	Liability Insurance	79	944	-	-	-	-	181	5,396	32,142	-	-	2,139
96130	Workmen's Compensation	24,930	3,042	-	-	-	-	17,750	31,125	29,986	-	-	3,589
96140	All Other Insurance	4,874	1,164	-	-	-	-	9,715	10,755	9,070	-	-	1,237
96200	Other General Expenses	27,656	365	-	-	-	-	2,123	207,939	59,193	-	-	186,932
96210	Compensated Absences	118,717	4,694	-	-	-	-	49,121	135,249	77,162	-	-	5,269
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	95,805	126,054	-	-	-
96400	Bad Debt - Tenant Rents	-	3,470	-	-	-	-	-	12,012	9,125	-	-	4,693
96600	Bad Debt - Other	-	-	-	-	-	-	-	8,277	-	-	-	-
96710	Interest on Mortgage (or Bonds) Payable	-	11,284	-	-	-	-	-	438,966	318,013	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	537	33,996	-	-	-	-	39,287	569,400	49,486	-	-	247
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	27,527	-	-	-	-
96900	Total Operating Expenses	3,090,615	683,442	81,620	-	-	122,000	1,385,274	6,065,083	8,669,963	12,086	-	964,163
97000	Excess Operating Revenue over Operating Expenses	37,016,207	(4,381)	1,545,883	1,011,368	19,024	-	(20,090)	3,129,892	1,318,078	370,568	-	44,562
97300	Housing Assistance Payments	36,303,096	-	1,449,640	905,974	-	-	-	-	-	-	-	-
97400	Depreciation Expense	20,029	177,885	-	-	-	-	155,516	1,596,137	1,557,750	-	-	127,134
90000	Total Expenses	39,413,740	861,327	1,531,260	905,974	-	122,000	1,540,790	7,661,220	10,227,713	12,086	-	1,091,297
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	(2,500)	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	(9,625)	(520,248)	29,798	500,075	-	-
10070	Extraordinary Items, net gain/loss	-	-	-	-	-	-	-	(268,506)	268,506	-	-	-
10100	Total other financing sources (Uses)	-	-	-	-	-	-	(9,625)	(788,754)	298,304	497,575	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	693,082	(182,266)	96,243	105,394	19,024	-	(185,231)	745,001	58,632	868,143	-	(82,572)
11020	Debt Principal Payments	-	35,421	-	-	-	-	-	854,202	649,378	-	-	-
11030	Beginning Equity	1,917,858	(1,028,966)	76,661	30,527	14,840	-	926,894	13,662,598	12,035,564	2,165,327	(600,000)	2,136,582
11040	Prior Period Adjustments, Equity Transfer and Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	45,864	576	1,296	900	-	-	-	3,981	9,687	-	-	1,320
11210	Number of Unit Months Leased	42,653	568	1,080	767	-	-	-	3,919	9,535	-	-	1,316
11170	Administrative Fee Equity	2,610,940	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvement Purchases	-	-	-	-	-	-	-	-	-	-	-	-

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023														
Line Item No.	Account Description	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks. LLC	Pinellas Property Management Company (PPMC)	PCHA Mills, Inc.	Blended Component Unit Total	Elimination	Primary Government Total	Pinellas Heights, LLLP	Landings at Cross Bayou, LLLP	Valor Preserve, LLLP	Discretely Presented Component Units	Total
111	Cash - Unrestricted	767,307	4,522	1,002	1,768	19,289	8,231,411	-	18,243,319	496,280	155,439	73,191	724,910	18,968,229
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	622,137	-	622,137	310,311	324,404	-	634,715	1,256,852
113	Cash - other restricted	-	-	-	-	-	980,704	-	1,071,700	783,672	615,000	-	1,398,672	2,470,372
114	Cash - Tenant Security Deposits	-	-	-	-	-	294,164	-	536,236	26,986	34,450	-	61,436	597,672
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	42,178	-	-	-	-	42,178
100	Total Cash	767,307	4,522	1,002	1,768	19,289	10,128,416	-	20,515,570	1,617,249	1,129,293	73,191	2,819,733	23,335,303
122	Accounts Receivable - HUD	-	-	-	-	-	-	-	1,100,957	-	-	-	-	1,100,957
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	13,305	13,305	13,305
125	Accounts Receivable - Miscellaneous	-	-	35,766	-	-	2,043,276	(800,377)	1,485,028	-	9,362	-	9,362	1,494,390
126	Accounts Receivable - Tenants Dwelling Rents	-	-	-	-	-	40,857	-	72,383	103	11,546	-	11,649	84,032
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	(8,346)	-	(17,845)	-	(2,858)	-	(2,858)	(20,703)
120	Total Receivables, net of allowances for doubtful accounts	-	-	35,766	-	-	2,075,787	(800,377)	2,640,523	103	18,050	13,305	31,458	2,671,981
142	Prepaid Expenses and Other Assets	-	-	-	-	-	379,460	-	1,382,597	177,796	28,393	-	206,189	1,588,786
143	Inventories	-	-	-	-	-	-	-	-	-	18,769	-	18,769	18,769
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	(1,877)	-	(1,877)	(1,877)
144	Interprogram due from	-	-	-	-	-	2,130,118	(3,929,232)	-	-	-	-	-	-
150	Total Current Assets	767,307	4,522	36,768	1,768	19,289	14,713,781	(4,729,609)	24,538,690	1,795,148	1,192,628	86,496	3,074,272	27,612,962
161	Land	-	-	-	-	2,499,269	9,151,928	-	14,900,378	75,650	3,100,000	-	3,175,650	18,076,028
162	Buildings	-	-	-	-	-	45,404,512	-	105,625,245	23,505,742	18,805,565	-	42,311,307	147,936,552
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	408,859	-	895,963	70,975	106,589	-	177,564	1,073,527
165	Leasehold Improvements	-	-	-	-	-	138,748	-	1,402,698	24,188	1,506,207	-	1,530,395	2,933,093
166	Accumulated Depreciation	-	-	-	-	-	(36,330,439)	-	(72,812,842)	(8,354,268)	(5,301,951)	-	(13,656,219)	(86,469,061)
167	Construction In Progress	-	-	-	-	21,535	1,160,702	-	1,160,702	-	-	16,546,501	16,546,501	17,707,203
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	-	-	2,520,804	19,934,310	-	51,172,144	15,322,287	18,216,410	16,546,501	50,085,198	101,257,342
171	Notes, loans, and mortgages receivable - Noncurrent	282,340	-	-	300,000	-	4,288,695	(3,988,695)	18,800,453	-	-	-	-	18,800,453
174	Other Assets	-	-	-	-	-	-	-	372,249	-	-	-	-	372,249
180	Total Non-Current Assets	282,340	-	-	300,000	2,520,804	24,223,005	(3,988,695)	70,344,846	15,322,287	18,216,410	16,546,501	50,085,198	120,430,044
190	Total Assets	1,049,647	4,522	36,768	301,768	2,540,093	38,936,786	(8,718,304)	94,883,536	17,117,435	19,409,038	16,632,997	53,159,470	148,043,006
200	Deferred Outflow of Resources	-	-	-	-	-	155,648	-	1,456,878	-	-	-	-	1,456,878
290	Total Assets and Deferred Outflows	1,049,647	4,522	36,768	301,768	2,540,093	39,092,434	(8,718,304)	96,340,414	17,117,435	19,409,038	16,632,997	53,159,470	149,499,884

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023														
Line Item No.	Account Description	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks. LLC	Pinellas Property Management Company (PPMC)	PCHA Mills, Inc.	Blended Component Unit Total	Elimination	Primary Government Total	Pinellas Heights, LLLP	Landings at Cross Bayou, LLLP	Valor Preserve, LLLP	Discretely Presented Component Units	Total
312	Accounts Payable <= 90 Days	-	-	-	-	800,377	977,066	(800,377)	463,177	8,337	48,235	2,373,804	2,430,376	2,893,553
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	30,938	-	173,074	6,613	3,441	-	10,054	183,128
322	Accrued Compensated Absences	-	-	-	-	-	36,530	-	191,473	7,336	-	-	7,336	198,809
325	Accrued interest payable	-	-	-	-	-	20,889	-	120,169	3,136,564	1,505,424	-	4,641,988	4,762,157
333	Accounts Payable - Other Government	-	-	-	-	-	126,054	-	221,856	-	-	-	-	221,856
341	Tenant Security Deposits	-	-	-	-	-	294,164	-	536,236	26,986	34,450	-	61,436	597,672
342	Unearned Revenues	-	-	-	-	-	9,956	-	35,578	912	2,391	-	3,303	38,881
343	Current portion of L-T debt - capital projects	-	-	-	-	1,800,000	6,957,723	-	8,166,578	132,665	54,864	6,910,194	7,097,723	15,264,301
345	Other current liabilities	-	-	-	-	-	332,138	-	489,398	-	110,285	1,100	111,385	600,783
346	Accrued liabilities - other	-	-	-	-	-	-	-	7,063	66,615	-	-	66,615	73,678
347	Interprogram due to	-	-	13,786	-	-	613,786	(3,929,232)	-	-	-	-	-	-
310	Total Current Liabilities	-	-	13,786	-	2,600,377	9,399,244	(4,729,609)	10,404,602	3,386,028	1,759,090	9,285,098	14,430,216	24,834,818
351	Long-term debt, net of current - capital projects	-	-	-	-	-	7,567,413	-	31,391,481	12,591,474	7,707,108	4,931,097	25,229,679	56,621,160
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	3,339,039	(3,988,695)	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	57,132	-	-	-	-	57,132
354	Accrued compensated Absenses - Non Current	-	-	-	-	-	45,936	-	205,745	6,416	-	-	6,416	212,161
357	Net Pension Liability	-	-	-	-	-	730,317	-	4,386,481	-	-	-	-	4,386,481
350	Total Noncurrent Liabilities	-	-	-	-	-	11,682,705	(3,988,695)	36,040,839	12,597,890	7,707,108	4,931,097	25,236,095	61,276,934
300	Total Liabilities	-	-	13,786	-	2,600,377	21,081,949	(8,718,304)	46,445,441	15,983,918	9,466,198	14,216,195	39,666,311	86,111,752
400	Deferred Inflow of Resources	-	-	-	-	-	110,174	-	673,753	-	-	-	-	673,753
508.4	Net Investment in Capital Assets	-	-	-	-	720,804	5,409,174	-	11,614,085	2,598,148	10,454,438	4,705,210	17,757,796	29,371,881
511.4	Restricted Net Position	-	-	-	-	-	1,602,841	-	14,915,220	783,672	615,000	-	1,398,672	16,313,892
512.4	Unrestricted Net Position	1,049,647	4,522	22,982	301,768	(781,088)	10,888,296	-	22,691,915	(2,248,303)	(1,126,598)	(2,288,408)	(5,663,309)	17,028,606
513	Total Equity	1,049,647	4,522	22,982	301,768	(60,284)	17,900,311	-	49,221,220	1,133,517	9,942,840	2,416,802	13,493,159	62,714,379
600	Total Liabilities, Deferred Inflows and Equity	1,049,647	4,522	36,768	301,768	2,540,093	39,092,434	(8,718,304)	96,340,414	17,117,435	19,409,038	16,632,997	53,159,470	149,499,884

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023														
Line Item No.	Account Description	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks. LLC	Pinellas Property Management Company (PPMC)	PCHA Mills, Inc.	Blended Component Unit Total	Elimination	Primary Government Total	Pinellas Heights, LLLP	Landings at Cross Bayou, LLLP	Valor Preserve, LLLP	Discretely Presented Component Units	Total
70300	Net Tenant Rental Revenue	-	-	-	-	-	10,383,316	-	16,112,989	1,575,888	781,076	-	2,356,964	18,469,953
70400	Tenant Revenue - Other	-	-	-	-	-	43,373	-	384,443	29,506	697,264	-	726,770	1,111,213
70500	Total Tenant Revenue	-	-	-	-	-	10,426,689	-	16,497,432	1,605,394	1,478,340	-	3,083,734	19,581,166
70600	HUD PHA Grants	-	-	-	-	-	-	-	44,492,124	-	-	-	-	44,492,124
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	34,509	-	-	-	-	34,509
70710	Management Fee Revenue	-	-	-	-	-	-	(750,378)	-	-	-	-	-	-
70720	Asset Management Fee Revenue	-	-	-	-	-	-	(23,470)	-	-	-	-	-	-
70730	Bookkeeping Fee Revenue	-	-	-	-	-	-	(337,110)	-	-	-	-	-	-
70750	Other Fee Revenue	-	-	-	-	-	-	(1,483,591)	235,032	-	-	-	-	235,032
71100	Investment Income - Unrestricted	41,710	-	-	1,359	-	581,083	(47,856)	1,088,711	62,231	43,520	-	105,751	1,194,462
71200	Mortgage interest income	2,866	-	-	-	-	14,150	(14,150)	573,898	-	-	-	-	573,898
71400	Fraud recovery	-	-	-	-	-	-	-	28,470	-	-	-	-	28,470
71500	Other revenue	-	5	-	300,000	-	703,438	(371,480)	2,695,314	53,801	69,077	-	122,878	2,818,192
72000	Investment income - restricted	-	-	-	-	-	-	-	-	4,944	-	-	4,944	4,944
70000	Total Revenue	44,576	5	-	301,359	-	11,725,360	(3,028,035)	65,645,490	1,726,370	1,590,937	-	3,317,307	68,962,797
91100	Administrative Salaries	-	-	-	-	-	562,595	-	3,265,098	94,101	75,693	-	169,794	3,434,892
91200	Accounting and Auditing Fees	-	-	-	-	-	27,657	-	86,826	31,000	18,000	-	49,000	135,826
91300	Management Fee	-	-	-	-	-	723,388	(1,908,882)	-	103,647	95,385	-	199,032	199,032
91310	Book-keeping Fee	-	-	-	-	-	-	(337,110)	-	-	35,000	-	35,000	35,000
91400	Advertising and Marketing	-	-	-	-	-	14,114	-	26,244	-	94	-	94	26,338
91500	Employee Benefit Contributions - Administrative	-	-	-	-	-	272,608	-	1,891,178	48,882	43,319	-	92,201	1,983,379
91600	Office Expenses	-	-	-	-	-	14,182	-	63,144	117,127	52,124	-	169,251	232,395
91700	Legal Expense	-	-	-	-	-	24,942	-	74,215	3,292	18,682	-	21,974	96,189
91800	Travel	-	-	-	-	-	941	-	61,333	-	35	-	35	61,368
91900	Other	-	-	-	-	-	659,993	(661,567)	1,359,587	6,720	6,524	207	13,451	1,373,038
92000	Asset Management Fee Expense	-	-	-	-	-	-	(23,470)	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	1,063,541	-	1,063,541	-	-	-	-	1,063,541
92200	Relocation Costs	-	-	-	-	-	587	-	587	-	-	-	-	587
92300	Employee benefit contributions - tenant services	-	-	-	-	-	113,367	-	113,367	-	259	-	259	113,626
92400	Tenant Services - Other	-	483	-	-	-	431,863	-	552,890	6,358	4,788	-	11,146	564,036
93100	Water	-	-	-	-	-	850,424	-	1,482,619	54,570	175,342	-	229,912	1,712,531
93200	Electricity	-	-	-	-	-	267,135	-	486,623	111,924	43,510	-	155,434	642,057
93300	Gas	-	-	-	-	-	28,611	-	82,708	-	1,873	-	1,873	84,581
93600	Sewer	-	-	-	-	-	49,703	-	49,703	-	-	-	-	49,703
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	586,207	-	1,053,633	87,883	111,105	-	198,988	1,252,621
94200	OMO - Materials and Other	-	-	-	-	-	481,831	-	965,795	53,051	133,929	-	186,980	1,152,775
94300	OMO - Contract Costs	-	-	-	-	-	1,426,161	-	3,186,130	214,546	262,392	-	476,938	3,663,068
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	249,789	-	456,985	30,934	37,655	-	68,589	525,574
95200	Protective Services - Other Contract Costs	-	-	-	-	-	82,814	-	239,404	3,211	39,810	-	43,021	282,425

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

For the year ended December 31, 2023

PHA: FL062 FYED: 12/31/2023														
Line Item No.	Account Description	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks. LLC	Pinellas Property Management Company (PPMC)	PCHA Mills, Inc.	Blended Component Unit Total	Elimination	Primary Government Total	Pinellas Heights, LLLP	Landings at Cross Bayou, LLLP	Valor Preserve, LLLP	Discretely Presented Component Units	Total
96110	Property Insurance	-	-	-	-	-	799,905	-	1,494,810	89,029	129,336	-	218,365	1,713,175
96120	Liability Insurance	-	-	-	-	-	34,281	-	44,812	-	-	-	-	44,812
96130	Workmen's Compenasation	-	-	-	-	-	33,575	-	119,511	3,548	5,134	-	8,682	128,193
96140	All Other Insurance	-	-	-	-	-	10,307	-	49,008	84,654	35,064	-	119,718	168,726
96200	Other General Expenses	-	-	-	-	60,284	306,409	(35,000)	559,532	279	76,137	-	76,416	635,948
96210	Compensated Absences	-	-	-	-	-	82,431	-	415,890	17,507	7,706	-	25,213	441,103
96300	Payments in Lieu of Taxes	-	-	-	-	-	126,054	-	221,859	-	-	-	-	221,859
96400	Bad Debt - Tenant Rents	-	-	-	-	-	13,818	-	50,842	-	5,727	-	5,727	56,569
96600	Bad Debt - Other	-	-	-	-	-	-	-	8,277	-	-	-	-	8,277
96710	Interest on Mortgage (or Bonds) Payable	-	-	-	-	-	318,013	(62,006)	706,257	-	332,296	-	332,296	1,038,553
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	49,733	-	693,718	617,514	-	-	617,514	1,311,232
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	27,527	-	8,659	-	8,659	36,186
96900	Total Operating Expenses	-	483	-	-	60,284	9,706,979	(3,028,035)	20,953,653	1,779,777	1,755,578	207	3,535,562	24,489,215
97000	Excess Operating Revenue over Operating Expenses	44,576	(478)	-	301,359	(60,284)	2,018,381	-	44,691,837	(53,407)	(164,641)	(207)	(218,255)	44,473,582
97300	Housing Assistance Payments	-	-	-	-	-	-	-	38,658,710	-	-	-	-	38,658,710
97400	Depreciation Expense	-	-	-	-	-	1,684,884	-	3,947,219	859,279	601,210	-	1,460,489	5,407,708
90000	Total Expenses	-	483	-	-	60,284	11,391,863	(3,028,035)	63,559,582	2,639,056	2,356,788	207	4,996,051	68,555,633
10010	Operating transfers in	-	2,500	-	-	-	-	(165,564)	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	165,564	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	529,873	-	-	-	-	-	-	-
10070	Extraordinary Items, net gain/loss	-	-	-	-	-	268,506	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	-	2,500	-	-	-	798,379	-	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	44,576	2,022	-	301,359	(60,284)	1,131,876	-	2,085,908	(912,686)	(765,851)	(207)	(1,678,744)	407,164
11020	Debt Principal Payments	-	-	-	-	-	649,378	-	1,539,001	126,780	47,303	-	174,083	1,713,084
11030	Beginning Equity	1,005,071	2,500	22,982	409	-	16,768,435	-	47,135,312	2,046,203	10,708,691	-	12,754,894	59,890,206
11040	Prior Period Adjustments, Equity Transfer and Correction of Errors	-	-	-	-	-	-	-	-	-	-	2,417,009	2,417,009	2,417,009
11190	Unit Months Available	-	-	-	-	-	11,007	-	66,045	1,836	2,208	-	4,044	70,089
11210	Number of Unit Months Leased	-	-	-	-	-	10,851	-	62,154	1,816	2,179	-	3,995	66,149
11170	Administrative Fee Equity	-	-	-	-	-	-	-	2,610,940	-	-	-	-	2,610,940
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash						-	3,188,318	5,006,498				-	5,006,498
11620	Building Purchases	-	-	-	-	-	-	-	22,050	-	-	-	-	22,050
11650	Leasehold Improvement Purchases	-	-	-	-	-	-	-	12,459	-	-	-	-	12,459

See independent auditor's report.

Pinellas County Housing Authority

SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES

For the year ended December 31, 2023

PROGRAM	CFP 501-20	CFP 501-21	CFP 501-22	CFP 501-23	Total
BUDGET	<u>\$ 911,004</u>	<u>\$ 792,428</u>	<u>\$ 980,376</u>	<u>\$ 652,186</u>	<u>\$ 3,335,994</u>
ADVANCES					
Cash receipts - prior years	\$ 906,005	\$ 740,126	\$ 707,845	\$ -	\$ 2,353,976
Cash receipts - current year	-	25,734	25,683	205,979	257,396
Cumulative as of December 31, 2023	<u>906,005</u>	<u>765,860</u>	<u>733,528</u>	<u>205,979</u>	<u>2,611,372</u>
COSTS					
Prior years	906,005	740,126	711,858	-	2,357,989
Current year	-	25,734	21,670	217,669	265,073
Cumulative as of December 31, 2023	<u>906,005</u>	<u>765,860</u>	<u>733,528</u>	<u>217,669</u>	<u>2,623,062</u>
RECEIVABLE DUE FROM HUD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,690</u>	<u>\$ 11,690</u>
SOFT COSTS					
Prior years	\$ 694,465	\$ 577,489	\$ 710,745	\$ -	\$ 1,982,699
Current year	-	-	12,895	217,669	230,564
Cumulative as of December 31, 2023	<u>694,465</u>	<u>577,489</u>	<u>723,640</u>	<u>217,669</u>	<u>2,213,263</u>
HARD COSTS					
Prior years	211,540	162,637	1,113	-	375,290
Current year	-	25,734	8,775	-	34,509
Cumulative as of December 31, 2023	<u>211,540</u>	<u>188,371</u>	<u>9,888</u>	<u>-</u>	<u>409,799</u>
CUMULATIVE HARD AND SOFT COSTS	<u>\$ 906,005</u>	<u>\$ 765,860</u>	<u>\$ 733,528</u>	<u>\$ 217,669</u>	<u>\$ 2,623,062</u>

See independent auditor's report.

SINGLE AUDIT SECTION

Pinellas County Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2023

Federal Grantor/Pass -Through Grantor/ Program or Cluster Title	Assistance Listing (AL) Number	Federal Expenditures
<u>Direct from the U.S. Department of Housing and Urban</u>		
<u>Development:</u>		
Housing Voucher Cluster		
Section 8 Housing Choice Voucher Program	14.871	\$ 39,834,955
Emergency Housing Voucher - Section 8 Housing Choice Voucher Program	14.871	1,617,733
Mainstream Voucher Program	14.879	<u>1,011,368</u>
Housing Voucher Cluster Total		\$ 42,464,056
Public and Indian Housing	14.850	1,181,277
Public Housing Capital Fund Program	14.872	265,073
Family Self-Sufficiency Program	14.896	122,000
Section 8 Project-Based Cluster		
Section 8 New Construction	14.182	<u>494,227</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 44,526,633</u></u>

Note 1

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

Note 2

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

Note 3

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

Note 4

During the year ended December 31, 2023, the Authority had no sub-recipients.

Note 5

During the year ended December 31, 2023, the Authority did not receive any noncash assistance, federal loans, or federally funded insurance.

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
Pinellas County Housing Authority
Pinellas County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of the Pinellas County Housing Authority (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 17, 2024.

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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

September 17, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

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

Board of Commissioners
Pinellas County Housing Authority
Pinellas County, Florida

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited Pinellas County Housing Authority's (the "Authority") 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 the Authority's major federal program for the year ended December 31, 2023. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

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.

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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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item **Finding No. 2023-001**. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance finding identified in our compliance audit described in accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item **Finding No. 2023-001** to be a significant deficiency.

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.

Government Auditing Standards require the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

September 17, 2024
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Pinellas County Housing Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

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 deficiencies identified? **None reported**

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

Federal Awards

Internal control over major programs:

Material weakness identified? **No**

Significant deficiencies identified? **Yes (Finding No. 2023-001)**

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

Are there audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes (Finding No. 2023-001)**

The program tested as a major program is as follows:

Housing Voucher Cluster

The threshold for distinguishing types A and B programs was **\$1,335,799**

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

B. FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENTS AUDIT

None.

Pinellas County Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

December 31, 2023

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

2023-001 Allowability - Landlord Overpayments

Housing Voucher Cluster

Significant Deficiency in Internal Control

Other Matter to be Reported Under the Uniform Guidance

Condition: The Authority made numerous overpayments in HAP to landlords starting in the month of October 2023. A variance in HAP disbursements was noted by the Department of Housing and Urban Development (HUD), and upon further investigation by management it was determined that the overpayment to landlords was not caught by staff when the original disbursements were made.

Criteria: HUD enters into Annual Contributions Contracts (ACCs) with PHAs under which HUD provides funds to the PHAs to administer the HCV program locally. HUD provides funds for the payments to landlords based on the Authority's 50058 calculation. Amounts paid to landlord should be based on those calculations.

Context: The Authority notified the auditor at the beginning of the audit when management became aware of the overpayment issue.

Effect: The Authority is not in compliance with applicable regulations regarding allowable use of HAP funds.

Cause: The Authority underwent a software conversion during the year which caused issues with the landlord payment module for HCV. There was inadequate review performed on the process and controls over the posting of HAP payments to landlords within the new system that allowed for the error to continue until April 2024.

Questioned Costs: \$242,129, during fiscal year.

Auditor Recommendations: The Authority should work on recapturing overpaid funds from landlords that have current tenant agreements. The Authority should also monitor internal controls in place with the new software to make sure the accounting software is functioning properly.

Management Response: See Corrective Action Plan.

D. PRIOR YEAR AUDIT FINDINGS

None.

Neil Brickfield
Executive Director

11479 Ulmerton Road, Largo, Florida 33778
Phone: (727) 443-7684 | Fax: (727) 489-0757
TDD: (800) 955-8770 | TTY: (800) 955-8771



CORRECTIVE ACTION PLAN

August 28, 2024

U.S. Department of Housing and Urban Development

The Pinellas County Housing Authority respectfully submits the following corrective action plan for the year ended December 31, 2023.

Berman Hopkins Wright & LaHam, CPAs and Associates, LLP
8035 Spyglass Hill Road
Melbourne, FL 32940

Audit period: January 1, 2023 - December 31, 2023

The finding from the December 31, 2023 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS – FEDERAL AWARDS PROGRAMS AND QUESTIONED COSTS

2023-001 Allowability – Landlord Overpayments

Housing Voucher Cluster
Significant Deficiency in Internal Controls
Other Matter to Reported Under the Uniform Control

Condition: The Authority made numerous overpayments in HAP to landlords starting in the month of October 2023. A variance in HAP disbursements was noted by the Department of Housing and Urban Development (HUD), and upon further investigation by management it was determined that the overpayment to landlords was not caught by staff when the original disbursements were made.

Auditor Recommendations: The Authority should work on recapturing overpaid funds from landlords that have current tenant agreements. The Authority should also monitor internal controls in place with the new software to make sure the accounting software is functioning properly.

Action Taken: Upon discovering the overpayments to the landlords, HCV department promptly issued letters informing them of the excess Housing Assistance Payment (HAP) received. The letter instructed the landlords to either repay the overpaid amounts or have them recouped from future HAP payments. To date \$142,824, has been successfully collected. Cherly LaRock is responsible for overseeing the collection process, and a monthly report on the status of these overpayments is submitted to the Board.

Additionally, the data transferred from HAB to Yardi was thoroughly reviewed and any issues that were identified during review were promptly corrected.

Finally, a Yardi consultant was engaged to assist in the evaluating the PCHA HAP process within Yardi. With the consultant's assistance, new procedures and controls have been established to streamline HAP payments and prevent future overpayments to landlords.

If the Department of Housing and Urban Development has questions regarding this plan, please contact Neil Brickfield, Executive Director at (727) 443-7684.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Neil Brickfield".

Neil Brickfield
Executive Director

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