

**PINELLAS COUNTY  
HOUSING  
AUTHORITY**

**Basic  
Financial Statements  
and Supplemental  
Information**

**Year ended  
December 31, 2017**



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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Pinellas County Housing Authority  
Pinellas County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Pinellas County Housing Authority (the "Authority"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority's business-type activities as of December 31, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements as a whole. The accompanying financial data schedule and schedules of actual 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 financial statements of the Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, and is not a required part of the financial statements of the Authority. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

June 27, 2018  
Melbourne, Florida

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

## Management Discussion and Analysis

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, 2017. 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 \$46,223,372 (net position).
- The Authority’s total cash, cash equivalents and investments (excluding investment in joint ventures) as of December 31, 2016 and 2017 are \$14,746,890 and \$13,313,794 respectively, representing a decrease of \$1,433,096.
- The Authority received revenue from HUD of \$29,422,321 for 2017, which includes funds for capital asset activities.
- Public housing maintained occupancy of 99% 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 assets 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 positions 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.
- **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.).

## **Overview of Financial Statements (continued)**

- **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 supplemental 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.

Resident Opportunity and Self-Sufficiency - this program provides funds for a coordinator to assist public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

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.

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.

## **The Authority's 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,
- a parcel of land in Largo, Florida for the development of Pinellas Heights,
- a parcel of land in unincorporated Pinellas County, Florida for the development of Landings at Cross Bayou;
- two parcels of land for future development:
  - a parcel in Largo contiguous to the Authority's administrative office; and,
  - a parcel in Seminole; and
- Corporate Office which consists of the central offices, which are both classified as business activities.

Business activities also includes two costs centers, one for affordable housing property management and the other for relocation of residents for the Landings at Cross Bayou development project.

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.

### **Blended Component Units**

Blended component units consist of Pinellas County Housing and Economic Development Corporation, Pinellas Heights, LLC (Pinellas Heights), Landings at Cross Bayou, LLC, PCHA Development, LLC, and Palm Lake Village Housing Corporation (see Note A-1).

*Pinellas County Housing and Economic Development Corporation ("PCHEDC")* - a Florida not for profit 501 (c)(3) corporation that wholly owns Pinellas Heights, LLC and Landings at Cross Bayou, LLC.

*Pinellas Heights, LLC* - this is a mixed finance development entity for a property of 153 senior apartments consisting of 21 public housing units and 132 affordable project based housing choice voucher units. Construction completion was in April of 2014 (see Note A-1).

*Landings at Cross Bayou, LLC* - this is 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 housing choice voucher units. Construction completion was in April of 2015 (see Note A-1).

*Heritage Oaks, LLC* - is the development entity for the first phase of the complete redevelopment of Rainbow Village.



## The Authority's Programs (continued)

### Blended Component Units (continued)

*PCHA Development, LLC* - is wholly owned by the Authority and will receive all development fee income earned for the Pinellas Heights LLC and Landings at Cross Bayou LLC projects.

*Palm Lake Village Housing Corporation* - incorporated on July 7, 1986, consists of Palm Lake Village, Crystal Lakes Manor, and Magnolia Gardens Assisted Living Facility.

*Palm Lake Village* - 475 one and two bedroom affordable apartments for residents age 55 and older.

*Crystal Lake 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

	<u>Statement of Net Position</u>		
	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Current assets	\$ 16,112,827	\$ 17,369,816	\$ (1,256,989)
Capital assets, net	53,017,308	53,911,874	(894,566)
Other noncurrent assets	14,136,323	14,283,780	(147,457)
Total assets	<u>83,266,458</u>	<u>85,565,470</u>	<u>(2,299,012)</u>
Deferred outflows of resources	<u>1,327,884</u>	<u>1,536,339</u>	<u>(208,455)</u>
Current liabilities	2,265,049	4,580,084	(2,315,035)
Long-term debt	32,038,998	31,207,909	831,089
Other noncurrent liabilities	3,850,988	3,726,565	124,423
Total liabilities	<u>38,155,035</u>	<u>39,514,558</u>	<u>(1,359,523)</u>
Deferred inflows of resources	<u>215,935</u>	<u>428,771</u>	<u>(212,836)</u>
Net investment in capital assets	20,159,885	21,924,647	(1,764,762)
Restricted	11,889,423	12,393,172	(503,749)
Unrestricted	<u>14,174,064</u>	<u>12,840,661</u>	<u>1,333,403</u>
Total net position	<u>\$ 46,223,372</u>	<u>\$ 47,158,480</u>	<u>\$ (935,108)</u>

**Current Assets** decreased by \$1,256,989 primarily due to an decrease in current cash and cash equivalents of \$1,433,096 compared to prior year cash, cash equivalents, and investments. The decrease in cash was due to the timing of HCV payments and was offset by an increase in interest receivable of \$109,257.

## **Financial Analysis (continued)**

**Net Capital Assets** decreased by \$894,566 due to current year depreciation expense offset by current year additions.

**Other Noncurrent Assets** decreased by \$147,457 mainly due to amortization of development costs.

**Deferred Outflows of Resources** decreased by \$208,455 due to the recording of changes in net pension liability and contributions subsequent to the measurement date (see Note B-7).

**Total Liabilities** decreased by \$1,359,523 primarily due a net decrease in unearned revenue of \$2,523,588 offset by an increase of \$247,513 for net pension liability and an increase in long term debt of \$831,089. The decrease in unearned revenue was due to the prior year balance including a large portion of HCV payments due to the timing.

**Deferred Inflows of Resources** decreased by \$212,836 due to the changes in net pension liability (see Note B-7).

**Net Position** - The difference between an organization's assets and its liabilities 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>2017</u>	<u>2016</u>	<u>Net Change</u>
Operating revenue			
HUD revenue	\$ 28,987,968	\$ 30,661,792	\$ (1,673,824)
Tenant revenue	10,646,058	9,759,411	886,647
Grant revenue	745,947	850,033	(104,086)
Other revenue	850,062	846,309	3,753
Total operating revenue	<u>41,230,035</u>	<u>42,117,545</u>	<u>(887,510)</u>
Operating expenses			
Administrative	4,709,321	4,613,346	95,975
Tenant services	1,351,132	1,365,574	(14,442)
Utilities	1,473,700	1,435,294	38,406
Maintenance	2,742,980	2,738,562	4,418
Protective services	137,750	131,416	6,334
General	1,473,630	1,315,083	158,547
Depreciation	3,933,453	3,782,623	150,830
Housing assistance payments	<u>25,540,269</u>	<u>26,002,366</u>	<u>(462,097)</u>
Total operating expenses	<u>41,362,235</u>	<u>41,384,264</u>	<u>(22,029)</u>
Operating income (loss)	<u>(132,200)</u>	<u>733,281</u>	<u>(865,481)</u>
Non operating revenues (expenses)			
Interest income	571,643	581,997	(10,354)
Interest expense	<u>(1,606,401)</u>	<u>(1,636,443)</u>	<u>30,042</u>
Total non operating revenues (expenses)	<u>(1,034,758)</u>	<u>(1,054,446)</u>	<u>19,688</u>
Change in net position before capital contributions	(1,166,958)	(321,165)	(845,793)
Capital contributions			
HUD capital grants	<u>434,353</u>	<u>665,642</u>	<u>(231,289)</u>
Change in net position	(732,605)	344,477	(1,077,082)
Total net position - beginning	47,158,480	46,814,003	344,477
Prior period adjustment	<u>(202,503)</u>	-	<u>(202,503)</u>
Total net position - ending	<u>\$ 46,223,372</u>	<u>\$ 47,158,480</u>	<u>\$ (935,108)</u>

**Total Operating Revenue** decreased by \$887,510 mainly due to decreased HUD revenue of \$1,652,137 from the Housing Choice Voucher program. This decrease was offset by an increase of \$886,647 from tenant revenue.

**Operating Expenses** are categorized by the Authority as housing assistance payments, depreciation expense, administrative, tenant services, utilities, maintenance, protective services and general.

**Total Operating Expenses** decreased by \$22,029 during 2017 as compared to 2016 primarily as result of a decrease of \$462,097 of housing assistance payments. This decrease was offset by increases of \$150,830 in depreciation, \$158,547 in general expenses due to closing costs and \$95,975 in administration due to an increase in salaries and benefits.

**Non Operating Expenses net of Non Operating Revenue** increased \$19,688 primarily due to the increase of interest expense of \$30,042, offset by a decrease of interest income of \$10,354.

**Capital Contributions** decreased by \$231,289 during 2017 as compared to 2016 primarily due to additional funding in 2016 for roof replacements for Rainbow Village.

### **Capital Asset and Debt Activity**

Throughout 2017, the Authority had significant capital additions. These improvements included new roofing, flooring, kitchen renovations, bathroom renovations, HVAC's, roof replacements and flooring for Magnolia Gardens. Palm Lake Village, East Lake Club Apartments and Crystal Lake Manor also had improvements of HVAC and roof replacements.

At the end of the fiscal year 2017, the Authority had debt of \$32,857,423 which is comprised of \$32,038,998 in long-term debt and \$818,425 as the current portion of long-term debt. Principal payments of \$782,408 were made in 2017.

During the year, the Authority obtained a new construction loan for the construction of 92 Units at Palms of Pinellas from USAmeri Bank, Pinellas County HOME Program and NSP2 Program. As of December 17, 2017 drawdowns for construction comprised of \$916,048 from USAmeri Bank and \$732,458 from Pinellas County HOME Program. The construction loan from US Ameri Bank is comprised of a primary loan of \$9,971,000 and a secondary loan of 1,240,000 for a total amount of \$11,211,000. The USAmeri Bank loan interest is a 4 percent (4.00%) floating rate of Wall Street Journal Prime rate subject to change per Wall Street published "U.S. Prime Rate". The loan will be for a 30 year term. The Pinellas County Loan is comprised of a \$775,000 loan from the HOME Program and \$725,000 from the NSP2 Program for a total of \$1,500,000. The interest rate is 1% for a 30 year term.

### **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 FY 2017.

**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;

## **Factors Affecting Next Year's Budget (continued)**

Significant economic factors affecting the Authority are as follows:

- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income; and
- Inflationary pressure on utility rates, housing costs, supplies and other costs.

## **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.

In keeping with the Authority's desire to diversify its portfolio of housing options, the Authority started construction in March of 2017 the Palms of Pinellas, a 92 unit, mixed-income workforce housing community. The construction of this new community is expected to be completed in September of 2018.

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. The Authority is moving forward in this direction and has submitted Low Income Housing Tax Credit applications for a portion of the redevelopment.

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 Debra Johnson, Executive Director, 11479 Ulmerton Road, Largo, FL 33778.

**Pinellas County Housing Authority**

**STATEMENT OF NET POSITION**

**December 31, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents - unrestricted	\$ 11,333,215
Cash and cash equivalents - restricted	1,929,498
Receivables, net	785,753
Prepaid expenses	352,261
Inventory, net	36,592
Accrued interest receivable	1,675,508
Total current assets	<u>16,112,827</u>

**NONCURRENT ASSETS**

Cash and cash equivalents - restricted	51,081
Note receivable - restricted	10,005,000
Note receivable - unrestricted	2,500,000
Capital assets, net	53,017,308
Investment in joint ventures	600,000
Intangible assets, net	356,048
Prepaid escrows - restricted	624,194
Total assets	<u>83,266,458</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Defined benefit pension plan	<u>1,327,884</u>
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**LIABILITIES**

**CURRENT LIABILITIES**

Current portion of long-term debt	818,425
Accounts payable and accrued expenses	383,697
Accrued salaries	118,831
Accrued compensated absences	12,130
Unearned revenue	64,746
Accrued interest payable	81,690
Payments in lieu of taxes	194,153
Tenant security deposits	419,135
Family self-sufficiency escrow	170,507
Other current liabilities	1,735
Total current liabilities	<u>2,265,049</u>

**NONCURRENT LIABILITIES**

Long-term debt	32,038,998
Net pension liability	3,458,481
Accrued compensated absences	341,426
Family self-sufficiency escrow	51,081
Total liabilities	<u>38,155,035</u>

**DEFERRED INFLOWS OF RESOURCES**

Defined benefit pension plan	<u>215,935</u>
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**NET POSITION**

Net investment in capital assets	20,159,885
Restricted	11,889,423
Unrestricted	14,174,064
Total net position	<u>\$ 46,223,372</u>

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

Pinellas County Housing Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

December 31, 2017

**OPERATING REVENUES**

HUD operating revenues	\$ 28,987,968
Tenant revenue, net	10,646,058
Grant revenue	745,947
Other operating revenue	850,062
Total operating revenues	<u>41,230,035</u>

**OPERATING EXPENSES**

Administrative	4,709,321
Tenant services	1,351,132
Utilities	1,473,700
Maintenance	2,742,980
Protective services	137,750
General	1,473,630
Depreciation	3,933,453
Housing assistance payments	25,540,269
Total operating expenses	<u>41,362,235</u>

**OPERATING LOSS**

(132,200)

**NON-OPERATING REVENUES (EXPENSES)**

Interest income - unrestricted	83,250
Interest income - restricted	1,495
Mortgage note interest income	486,898
Interest expense	(1,606,401)
Total non-operating revenues (expenses)	<u>(1,034,758)</u>
Change in net position before capital contributions	(1,166,958)

**CAPITAL CONTRIBUTIONS**

HUD capital grants	<u>434,353</u>
Change in net position	(732,605)
Total net position - beginning	47,158,480
Prior period adjustment	<u>(202,503)</u>
Total net position - ending	<u>\$ 46,223,372</u>

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

Pinellas County Housing Authority

STATEMENT OF CASH FLOWS

December 31, 2017

**CASH FLOWS FROM OPERATING ACTIVITIES**

HUD operating grants received	\$ 29,003,598
Collections from tenants	8,176,339
Collections from other sources	1,600,966
Payments to employees	(5,949,058)
Payments to suppliers	(5,591,103)
Housing assistance payments	<u>(25,511,464)</u>
Net cash provided by operating activities	<u>1,729,278</u>

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

HUD capital grants received	434,353
Interest paid	(1,604,526)
Payments on long-term debt	(782,408)
Proceeds from long-term debt	1,648,506
Purchase of property and equipment	<u>(3,118,182)</u>
Net cash used in capital and related financing activities	<u>(3,422,257)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	84,745
Mortgage interest received	<u>175,138</u>
Net cash provided by investing activities	<u>259,883</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

	(1,433,096)
Cash and cash equivalents at beginning of year	<u>14,746,890</u>
Cash and cash equivalents at end of year	<u>\$ 13,313,794</u>

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

Cash and cash equivalents - unrestricted	\$ 11,333,215
Cash and cash equivalents - restricted	1,929,498
Cash and cash equivalents - restricted noncurrent	<u>51,081</u>
	<u>\$ 13,313,794</u>

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



Pinellas County Housing Authority

STATEMENT OF CASH FLOWS (continued)

December 31, 2017

**RECONCILIATION OF OPERATING LOSS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating loss	\$ (132,200)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	3,933,453
Provision for bad debt, net of recoveries	41,514
(Increase) decrease in assets and deferred outflows:	
Receivables, net	(13,330)
Due from HUD	16,960
Prepaid expenses	22,816
Inventory, net	875
Intangible assets, net	17,460
Prepaid escrows - restricted	(5,688)
Defined benefit pension plan	208,455
Increase (decrease) in liabilities and deferred inflows:	
Accounts payable and accrued expenses	204,802
Accrued salaries	6,753
Accrued compensated absences	15,634
Due to HUD	(1,330)
Due to other government	7,059
Unearned revenue	(2,523,588)
Tenant security deposits	30,642
Net pension liability	247,513
Defined benefit pension plan	(212,837)
Other current liabilities	(135,685)
Net cash provided by operating activities	<u>\$ 1,729,278</u>

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

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

**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") Statement No. 61, *The Financial Reporting Entity: Omnibus*, as amended, as the Board independently oversees the Authority's operations.

The definition of the reporting entity as defined by GASB No. 61 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 seven 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
- Heritage Oaks, LLC
- Pinellas Property Management Company ("PPMC")

PLVHC is a Florida not for profit 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 Lake Manor Apartments and Magnolia Gardens Assisted Living Facility.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

**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 at Cross Bayou, LLC.

PCHA Development, LLC is a Florida limited liability company and is an instrumentality of the Authority. PCHA Development, LLC is wholly owned by PCHA. PCHA Development, LLC will receive a portion of all development fee income earned for the Pinellas Heights and Landings at Cross Bayou projects.

Pinellas Heights, LLC is a Florida limited liability company and is an instrumentality of the Authority. Pinellas Heights, LLC was created solely to assist in the planning and development of Pinellas Heights Apartments ("Pinellas Heights"), a new 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-3). Construction was completed in 2014. Pinellas Heights, LLC is the general partner of Pinellas Heights, LLLP which is the owner of Pinellas Heights. Pinellas Heights, LLLP is considered a related party of the Authority.

Landings at Cross Bayou, LLC is a Florida limited liability company and is an instrumentality of the Authority. Landings at Cross Bayou, LLC was created solely to assist in the planning and development of Landings at Cross Bayou ("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. Landings at Cross Bayou, LLC is the general partner of Landings at Cross Bayou, LLLP, which is the owner of the Landings. Landings at Cross Bayou, LLLP is considered a related party of the Authority.

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 is anticipated to be financed through low income housing tax credits and other sources. Heritage Oaks, LLC is one of the general partners of Heritage Oaks, LLLP, which will be the owner of phase I and will be considered a related party of the Authority. Grand Oaks, LLC is one of the general partners of Grand Oaks, LLLP, which will be the owner of Grand Oaks, and will be considered a related party of the Authority.

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.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

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.

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.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

3. Measurement focus and basis of accounting (continued)

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.

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 No. 34 and related guidance, tenant revenue is reported net of \$41,514 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).

*Resident Opportunity and Self-Sufficiency*

The Resident Opportunity and Self-Sufficiency program provides funds for a coordinator to assist public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

*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.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

**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"), 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.

*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,
- a parcel of land in Largo, Florida for the development of Pinellas Heights,
- a parcel of land in unincorporated Pinellas County, Florida for the development of Landings at Cross Bayou;
- two parcels of land for future development:
  - a parcel in Largo contiguous to the Authority's administrative office; and,
  - a parcel in Seminole; and
- Corporate Office which consists of the central offices, which are both classified as business activities.

Business activities also includes two costs centers, one for affordable housing property management and the other for relocation of residents for the Landings at Cross Bayou development project.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$288. The allowance for uncollectible amounts is based on periodic aging of tenant accounts receivables and fraud recovery receivables.

c. *Inventory*

Inventory, net, consists principally of materials held for use or consumption and is recorded on the first-in, first-out ("FIFO") method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. Based on management's experience with the types of items in inventory and related usage plans, an allowance for obsolescence of \$4,065 is recorded as of December 31, 2017.

d. *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.

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

Buildings and improvements	10 - 30 years
Equipment	5 years
Leasehold improvements	5 years

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

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

*e. Intangible assets*

Intangible assets net, consists of costs paid by the Authority to developers, attorneys, and consultants on behalf of the developments that may be reimbursed upon closing. 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 \$409,916 and are being presented in the financial statements net of accumulated amortization of \$53,868. For the year ended December 31, 2017, associated amortization expense was \$18,292 and is included in general expense on the Statement of Revenues, Expenses and Changes in Net Position.

*f. 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-7).

*g. Unearned revenues*

Unearned revenues include amounts collected before revenue recognition criteria are met. As of December 31, 2017 unearned revenues consist of \$10,795 of prepaid rents and \$53,951 remaining on a cable rights agreement.

*h. 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 Statement No. 16, *Accounting for 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.



**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

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

*i. 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.

*j. 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-7).

*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, Palm Lake Village Housing Corporation and Landings at Cross Bayou, LLC, both blended component units, approved the lending of funds in the amounts of \$539,800 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 for the year ended December 31, 2017. The elimination consists of the current portions of \$21,059 and the noncurrent portions of \$762,712. The corresponding mortgage interest income and expense of \$13,904 related to this note were also eliminated.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

k. *Eliminations (continued)*

i). *Interprogram due to/from (continued)*

As of December 31, 2017, \$777,058 of common costs and \$783,771 of internal loan balances, representing a total of \$1,560,829 have been 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 \$1,627,313 of fees has been eliminated for the year ended December 31, 2017.

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 \$177,420 of internal rent charges have been eliminated for the year ended December 31, 2017.

l. *Net position*

In accordance with GASB No. 34 as amended, total equity as of December 31, 2017, 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 \$11,889,423 of the restricted component of net position which consists of amounts restricted for modernization and development of \$10,005,000 and escrows of \$1,884,423 that are restricted by bond and note payable restrictions.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

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

*I. Net position (continued)*

*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.

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 uncertainty in 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, 2017, 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 2013 through 2017.

8. Use of estimates

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

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

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.

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, 2017.

11. Impact of recently issued accounting policies

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the Authority's December 31, 2020 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Authority's financial statements.

**NOTE B - DETAILED NOTES**

1. Cash and cash equivalents

As of December 31, 2017, the Authority's cash and cash equivalents consists of cash in banks in the amount of \$8,060,608 and cash in money market funds in the amount of \$5,253,186.

In accordance with GASB No. 40, the Authority's exposure to deposit and investment risk is disclosed as follows:

*Credit Risk.* Credit risk is the risk that a counterparty will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of December 31, 2017, the Authority was not exposed to credit risk since they follow HUD regulations.

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2017

NOTE B - DETAILED NOTES (continued)

1. Cash and cash equivalents (continued)

*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 Depository 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, 2017, none of the Authority's total cash bank balance of \$13,373,957 was exposed to custodial credit risk.

*Restricted cash and cash equivalents*

As of December 31, 2017, restricted cash and cash equivalents consist of:

Tenant security deposits		\$ 419,135
Family self sufficiency escrow - current		170,507
Restricted funded reserves:		
Crystal Lakes Manor:		
Operating fund	\$ 121,360	
Palm Lake Village:		
Project fund	400,281	
Operating fund	496,213	
Replacement reserve	122,378	
General fund	194,341	
Fees fund	5,283	
Palm Lake Village Housing Corporation subtotal:		1,339,856
Total restricted cash and cash equivalents - current		1,929,498
Family self sufficiency escrow - noncurrent		51,081
Total restricted cash and cash equivalents		<u>\$ 1,980,579</u>

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2017

NOTE B - DETAILED NOTES (continued)

2. Receivables, net

As of December 31, 2017, receivables consist of:

Developer fee receivable	\$	589,540
Accrued interest receivable		114,336
Tenant receivables		59,455
HUD grants receivable		22,710
Total receivables		786,041
Allowance for doubtful accounts - tenants		(288)
	\$	<u>785,753</u>

3. Notes receivable

The Authority has entered into several notes receivable associated with tax credit and Rental Assistance Demonstration ("RAD") activity.

i.) *Pinellas Heights*

The Authority entered into two mortgage note agreements with Pinellas Heights for the construction of Pinellas Heights Apartments for a total amount not to exceed \$6,650,010.

As of December 31, 2017, 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, \$4,500,000 was disbursed during construction and an additional \$1,000,000 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.

As of December 31, 2017, the total outstanding balance of the Second Mortgage Note is \$1,150,000. 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. 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**

**December 31, 2017**

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

3. Notes receivable (continued)

ii.) *Landings at Cross, Bayou, LLLP*

The Authority entered into a mortgage note agreement with Landings at Cross Bayou, LLLP to fund the RAD conversion of French Villas to Landings at Cross Bayou Apartments for a total amount of \$5,855,000. As of December 31, 2017, the total outstanding balance of the French Villas Mortgage Note is \$5,855,000. The principal balance is due at maturity and annual interest payments will be made only to the extent of available cash flow, if any.

4. Capital assets

A summary of changes in capital assets for the year ended December 31, 2017 is as follows:

	Balance at January 1, 2017	Transfers in/ Additions	Transfers out/ Deletions	Balance at December 31, 2017
Non-depreciable:				
Land	\$ 12,401,109	\$ -	\$ -	\$ 12,401,109
Construction in progress	273,397	1,682,076	(28,131)	1,927,342
Total non-depreciable	<u>12,674,506</u>	<u>1,682,076</u>	<u>(28,131)</u>	<u>14,328,451</u>
Depreciated:				
Buildings and improvements	87,876,835	1,081,455	-	88,958,290
Equipment	1,032,573	146,072	-	1,178,645
Leasehold improvements	2,250,462	157,415	-	2,407,877
Total depreciated	<u>91,159,870</u>	<u>1,384,942</u>	<u>-</u>	<u>92,544,812</u>
Total capital assets	<u>103,834,376</u>	<u>3,067,018</u>	<u>(28,131)</u>	<u>106,873,263</u>
Less accumulated depreciation:				
Buildings and improvements	(47,323,602)	(3,647,257)	-	(50,970,859)
Equipment	(961,393)	(48,057)	-	(1,009,450)
Leasehold improvements	(1,637,507)	(238,139)	-	(1,875,646)
Total accumulated depreciation	<u>(49,922,502)</u>	<u>(3,933,453)</u>	<u>-</u>	<u>(53,855,955)</u>
Capital assets, net	<u>\$ 53,911,874</u>	<u>\$ (866,435)</u>	<u>\$ (28,131)</u>	<u>\$ 53,017,308</u>

During the year ended December 31, 2017, the majority of the additions consisted of new roofing, flooring, kitchen renovations, bathroom renovations, HVAC's, roof replacements and flooring for Magnolia Gardens. Palm Lake Village, East Lake Club Apartments and Crystal Lake Manor also had improvements of HVAC and roof replacements.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

**5. Prepaid escrows**

As of December 31, 2017, prepaid escrows consist of:

East Lake Mortgage 2007 prepaid escrow	\$ 296,429
Palm Lake Village Bond Series 2005	
Insurance escrow deposit	293,355
PILOT tax escrow deposit	34,410
	<hr/>
Total prepaid escrows	<u>\$ 624,194</u>

**6. Noncurrent liabilities**

A summary of changes in noncurrent liabilities is as follows:

	Payable at January 1, 2017	Additions	Reductions	Payable at December 31, 2017	Due Within One Year
Housing Revenue Bonds, Series 2005 - Palm Lake Village	\$ 9,745,000	\$ -	\$ (305,000)	\$ 9,440,000	\$ 320,000
Less unamortized bond discount	(76,534)	-	4,100	(72,434)	(4,100)
Housing Revenue Bonds, Series 2005, net	9,668,466	-	(300,900)	9,367,566	315,900
Crystal Lake Manor Loan 2014	2,916,759	-	(55,841)	2,860,918	58,151
Crystal Lake Manor Loan 2015	2,485,741	-	(44,236)	2,441,505	46,068
East Lake Mortgage 2007	12,093,336	-	(301,307)	11,792,029	319,446
Magnolia Gardens Loan 2015	1,997,274	-	(35,046)	1,962,228	36,486
Redwood Mortgage 2011	289,803	-	(6,982)	282,821	7,194
Norton Apts Mortgage 2011	586,373	-	(8,625)	577,748	8,887
Norton NSP Loan 2012	537,835	-	(7,598)	530,237	7,830
Norton Apts Clearwater Loan 2013	540,466	-	-	540,466	-
Norton Apts Hancock Loan 2014	871,172	-	(17,773)	853,399	18,463
Palms of Pinellas USAmeri Bank	-	884,217	-	884,217	-
Palms of Pinellas USAmeri Bank - Interest Reserve Loan	-	7,058	-	7,058	-
Palms of Pinellas USAmeri Bank - Secondary Loan	-	24,773	-	24,773	-
Palms of Pinellas County Loan	-	732,458	-	732,458	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total long-term debt	31,987,225	1,648,506	(778,308)	32,857,423	818,425
FRS net pension liability	1,803,807	1,779,865	(1,429,486)	2,154,186	-
HIS net pension liability	1,407,161	362,365	(465,231)	1,304,295	-
Family self-sufficiency escrow	255,871	67,899	(102,182)	221,588	170,507
Accrued compensated absences	337,922	343,818	(328,184)	353,556	12,130
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	<u>\$ 35,791,986</u>	<u>\$ 4,202,453</u>	<u>\$ (3,103,391)</u>	<u>\$ 36,891,048</u>	<u>\$ 1,001,062</u>



Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2017

NOTE B - DETAILED NOTES (continued)

6. Noncurrent liabilities (continued)

The interest expense associated with all of the debt service of the Authority totaled \$1,606,401 for the year ended December 31, 2017, none 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. The Authority is required to make monthly deposits to the trustee to provide for, among other deposits, semi-annual interest and principal payments beginning May 1, 2007. 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.

Proceeds from the bonds in the amount of \$11,522,409 were used to repay a line of credit draw, the proceeds of which were deposited into the Authority's Acquisition Fund to refinance Palm Lake Village Housing Corporation's (including Magnolia Gardens) portion of the Housing Revenue Bonds, Series 2001, and \$400,000 was deposited with the trustee to provide funds for capital improvements to Palm Lake Village Apartments.

As of December 31, 2017 the future principal maturities for Housing Revenue Bonds, Series 2005 is as follows:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 320,000	\$ 407,160
2019	340,000	393,131
2020	360,000	378,122
2021	385,000	362,138
2022	405,000	345,173
2023-2027	2,360,000	1,439,306
2028-2032	3,035,000	863,258
2033-2035	2,235,000	173,455
	<u>\$ 9,440,000</u>	<u>\$ 4,361,743</u>

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*b. Crystal Lake Manor Loan 2014*

On May 22, 2014, the Board of Directors of Palm Lake Village Housing Corporation, a blended component unit of the Authority (see Note A-1), approved a loan for \$3,000,000. 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.

As of December 31, 2017, the future principal and interest maturities for Crystal Lake Manor Loan 2014, are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 58,151	\$ 114,949
2019	61,475	111,624
2020	64,624	108,475
2021	67,257	105,843
2022	69,998	103,102
2023-2024	<u>2,539,413</u>	<u>141,152</u>
	<u>\$ 2,860,918</u>	<u>\$ 685,145</u>

*c. Crystal Lake Manor Loan 2015*

On August 4, 2015, the Board of Directors of Palm Lake Village Housing Corporation, a blended component unit of the Authority (see Note A-1), approved a loan for \$2,500,000. 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.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

c. *Crystal Lake Manor Loan 2015 (continued)*

As of December 31, 2017, the future principal and interest maturities for Crystal Lake Manor Loan 2015, are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 46,068	\$ 98,163
2019	47,972	96,260
2020	50,995	93,236
2021	53,343	90,888
2022	55,517	88,715
2023-2024	<u>2,187,610</u>	<u>121,785</u>
	<u>\$ 2,441,505</u>	<u>\$ 589,047</u>

d. *East Lake Mortgage 2007*

On March 22, 2007, the Authority refinanced the Housing Revenue Bonds, Series 2001 and replaced them with the East Lake Mortgage 2007 for \$14,260,000. The new debt was issued with a fixed rate of 5.78% with the payments calculated based on an amortization of 30 years with a balloon payment after 15 years and a maturity date of April 22, 2022. The mortgage is secured by the property of East Lake Apartments.

As of December 31, 2017, the future principal and interest maturities for East Lake Mortgage 2007 are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 319,446	\$ 682,427
2019	338,678	663,196
2020	357,194	644,679
2021	380,571	621,302
2022	<u>10,396,140</u>	<u>149,740</u>
	<u>\$ 11,792,029</u>	<u>\$ 2,761,344</u>

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

e. *Landings at Cross Bayou Inter-Authority Loan 2015*

On April 1, 2015, the Board of Directors of Landings at Cross Bayou, LLC, a blended component unit of the Authority (see Note A-1), approved a loan of \$346,043 for the purchase of land and demolition of an existing structure. The loan bears interest at a rate of 1% per annum for a term of forty (40) years with payments commencing May 1, 2015. During the year, \$7,191 of the principal balance was repaid.

As of December 31, 2017, the future principal and interest maturities for Landings at Cross Bayou Inter-Authority Loan 2015 are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 7,263	\$ 3,237
2019	7,336	3,164
2020	7,410	3,090
2021	7,484	3,016
2022	7,559	2,941
2023-2027	38,950	13,549
2028-2032	40,946	11,763
2033-2037	43,045	9,455
2038-2042	45,251	7,249
2043-2047	47,570	4,930
2048-2052	50,008	2,492
2053-2055	24,204	294
	<u>\$ 327,026</u>	<u>\$ 65,180</u>

Due to the internal nature of the borrowing, the full outstanding balance of this loan has been eliminated for financial reporting purposes (see Note A-5-k-i).

f. *Magnolia Gardens Loan 2015*

On December 3, 2015, Palm Lake Village Housing Corporation, a blended component unit of the Authority (see Note A-1), entered into a leasehold mortgage agreement with US Ameribank as evidenced by a promissory note in the amount of \$2,000,000 for Magnolia Gardens Assisted Living Facility. 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 December 3, 2025.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*f. Magnolia Gardens Loan 2015 (continued)*

As of December 31, 2017, the future principal and interest maturities based on the current and future principal borrowed for Magnolia Gardens Loan 2015, are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 36,486	\$ 78,896
2019	39,063	76,319
2020	40,654	74,727
2021	42,311	73,071
2022	44,035	71,347
2023-2025	<u>1,759,679</u>	<u>961,234</u>
	<u>\$ 1,962,228</u>	<u>\$ 1,335,594</u>

*g. Redwood Mortgage 2011*

On April 12, 2011, the Authority entered into a leasehold mortgage agreement with the Housing Finance Authority of Pinellas County ("HFA") evidenced by a promissory note in the amount of \$307,958 for the acquisition and renovation of an existing 10-unit apartment facility, Redwood Apartments, located in unincorporated Pinellas County. 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 bears interest at 3% per annum for a term of 33 years ending May 1, 2044. The Authority is required to make monthly principal and interest payments beginning May 1, 2014. The note is secured by the mortgage on the underlying property.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*g. Redwood Mortgage 2011 (continued)*

As of December 31, 2017, the future principal and interest maturities for Redwood Mortgage 2011 are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 7,194	\$ 8,386
2019	7,413	8,167
2020	7,638	7,942
2021	7,871	7,710
2022	8,110	7,470
2023-2027	34,983	27,338
2028-2032	50,058	27,844
2033-2037	58,148	19,753
2038-2042	67,546	10,356
2043-2044	33,860	1,198
	<u>\$ 282,821</u>	<u>\$ 126,164</u>

*h. Norton Apartments Mortgage 2011*

On March 15, 2011, the Authority entered into a leasehold mortgage agreement with the Housing Finance Authority of Pinellas County ("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 subsequent to December 31, 2011, 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.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*h. Norton Apartments Mortgage 2011 (continued)*

As of December 31, 2017, the future principal and interest maturities for Norton Apartments Mortgage 2011 are as follows for the years ending December 31:

	Principal	Interest
2018	\$ 8,887	\$ 17,209
2019	9,158	16,939
2020	9,436	16,660
2021	9,723	16,373
2022	9,974	16,123
2023-2027	54,806	75,678
2028-2032	63,666	66,817
2033-2037	73,959	56,524
2038-2042	85,894	44,589
2043-2047	99,814	30,669
2048-2052	115,953	14,530
2053-2054	36,478	831
	\$ 577,748	\$ 372,942

*i. Norton Apartments Inter-Authority Loan 2011*

On January 25, 2011, the Board of Directors of Palm Lake Village Housing Corporation, a blended component unit of the Authority (see Note A-1), approved a loan of \$539,800 for the creation of Norton capital and operating reserves. The loan bears interest at a rate of 3% per annum for a term of thirty (30) years with payments commencing April 15, 2011. During the year, \$13,389 of the principal balance was repaid.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*i. Norton Apartments Inter-Authority Loan 2011 (continued)*

As of December 31, 2017, the future principal and interest maturities for Norton Apartments Inter-Authority Loan 2011 are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 13,796	\$ 13,514
2019	14,216	13,094
2020	14,648	12,662
2021	15,094	12,216
2022	15,553	11,757
2023-2027	85,154	51,395
2028-2032	98,916	37,633
2033-2037	114,903	21,646
2038-2041	84,466	4,290
	<u>\$ 456,746</u>	<u>\$ 178,207</u>

Due to the internal nature of the borrowing, the full outstanding balance of this loan has been eliminated for financial reporting purposes (see Note A-5-k-i).

*j. 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.



**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*j. Norton NSP Loan 2012 (continued)*

As of December 31, 2017, the future principal and interest maturities for Norton NSP Loan 2012 are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 7,830	\$ 15,837
2019	8,024	15,603
2020	8,312	15,315
2021	8,565	15,062
2022	8,825	14,802
2023-2027	48,234	71,287
2028-2032	56,079	62,056
2033-2037	65,145	52,989
2038-2042	75,678	42,457
2043-2047	87,899	51,008
2048-2052	102,134	16,000
2053-2055	53,512	1,967
	<u>\$ 530,237</u>	<u>\$ 374,383</u>

*k. 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 subsequently amended twice, bringing the total borrowings to \$440,446 in October 2013 and to \$540,466 in December 2015.

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. At December 31, 2017, the principal balance of the loan was \$540,466.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*l. Norton Apartments Hancock Loan 2014*

On September 5, 2014, the Authority obtained a private loan with Hancock Bank for an original principal of \$910,000. The debt was issued with a fixed rate of 3.75% with the payments calculated based on an amortization of 30 years with a balloon payment after 10 years and a maturity date of September 5, 2024.

As of December 31, 2017, the future principal and interest maturities for Norton Apartments Hancock Loan 2014 are as follows for the years ending December 31:

	<u>Principal</u>	<u>Interest</u>
2018	\$ 18,463	\$ 32,123
2019	19,521	31,065
2020	20,356	30,231
2021	21,132	29,454
2022	27,553	35,680
2023-2024	746,374	38,838
	<u>\$ 853,399</u>	<u>\$ 197,391</u>

*m. Palms of Pinellas USAmeri Bank 2017 Loan*

On December 30, 2016, the Authority obtained a construction loan for the construction of the Palms at Pinellas with USAmeri Bank for an original principal of \$9,971,000. The debt was issued with a variable interest rate; as of December 31, 2017 the interest rate was 4.25%. As of December 31, 2017 the Authority has drawn down \$884,217 and incurred \$7,058 of interest.

*n. Palms of Pinellas USAmeri Bank 2017 Secondary Loan*

On December 30, 2016, the Authority obtained a construction loan for the construction of the Palms at Pinellas with USAmeri Bank for an original principal of \$1,240,000. The debt was issued with a variable interest rate; as of December 31, 2017 the interest rate was 4.25%. As of December 31, 2017 the Authority has not made any draws on the principal and has incurred \$24,773 of settlement costs.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

6. Noncurrent liabilities (continued)

*o. Palms of Pinellas County Loan*

On March 22, 2017 the Authority obtained a construction loan for the construction of the Palms at 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. As of December 31, 2017 the Authority has drawn down \$732,458 of principal.

7. 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.

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](http://www.dms.myflorida.com/workforce_operations/retirement/publications)

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

a. *Florida Retirement System (continued)*

*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 increasing normal retirement to age 65 or 33 years of service regardless of age for Regular class members. Also, the final average compensation for all these members 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 three percent 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 three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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.

**Pinellas County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

a. *Florida Retirement System (continued)*

*Funding policy*

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent 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 for the periods from January 1, 2017 through June 30, 2017 and from July 1, 2017 through December 31, 2017, respectively, were as follows: Regular—7.52% and 7.92%; and DROP participants—12.99% and 13.26%.

These employer contribution rates include a 1.66% HIS Plan subsidy for the periods of January 1, 2017 through December 31, 2017.

The Authority's contributions, including employee contributions, to the pension plan totaled \$189,588 for the fiscal year ended December 31, 2017.

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

At December 31, 2017, the Authority reported a liability of \$2,154,186 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2017. The Authority's proportionate share of the net pension liability was based on the Authority's 2016-2017 fiscal year contributions relative to the 2015-2016 fiscal year contributions of all participating members. At June 30, 2017, the Authority's proportionate share was 0.00728 percent, which was an increase of 0.00014 percent from its proportionate share measured as of June 30, 2016.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

a. *Florida Retirement System (continued)*

For the fiscal year ended December 31, 2017, the Authority recognized pension expense of \$387,263. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Recognition Period</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	6.4 years	\$ 197,702	\$ 11,933
Change in assumptions	6.4 years	723,958	-
Net difference between projected and actual earnings on Pension Plan investments	5.0 years	-	53,386
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	6.4 years	90,590	10,263
Authority Pension Plan contributions subsequent to the measurement date		<u>47,087</u>	<u>-</u>
Total		<u><u>\$ 1,059,337</u></u>	<u><u>\$ 75,582</u></u>

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

The deferred outflows of resources related to the Pension Plan, totaling \$47,087 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 ended December 31, 2018. 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:

<u>Fiscal Year Ending December 31:</u>	<u>Amount</u>
2018	\$ 140,245
2019	325,559
2020	223,508
2021	46,270
2022	145,983
Thereafter	55,103

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

a. *Florida Retirement System (continued)*

*Actuarial assumptions*

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.10%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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. 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:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.00%	3.00%	1.80%
Fixed Income	18.00%	4.50%	4.40%	4.20%
Global Equity	53.00%	7.80%	6.60%	17.00%
Real Estate (Property)	10.00%	6.60%	5.90%	12.80%
Private Equity	6.00%	11.50%	7.80%	30.00%
Strategic Investments	<u>12.00%</u>	6.10%	5.60%	9.70%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.60%	1.90%

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

Pinellas County Housing Authority

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2017

NOTE B - DETAILED NOTES (continued)

7. Retirement plans (continued)

a. *Florida Retirement System (continued)*

*Discount rate*

The discount rate used to measure the total pension liability was 7.10%. 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.

*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 7.10% 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 (6.10%) or one percentage point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Authority's proportionate share of the net pension liability	\$ 3,898,946	\$ 2,154,186	\$ 705,635

*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, 2017, the Authority did not have a payable for outstanding contributions to the Pension Plan required.



**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

*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, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 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.

*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, 2017, the HIS contribution was 1.66%. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plans 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 \$64,557 for the fiscal year ended December 31, 2017.

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

At December 31, 2017, the Authority reported a liability of \$1,304,295 for its proportionate share of the HIS plan's net pension liability. The net pension liability was measured as of June 30, 2017. The Authority's proportionate share of the net pension liability was based on the Authority's 2016-2017 fiscal year contributions relative to the 2015-2016 fiscal year contributions of all participating members. At June 30, 2017, the Authority's proportionate share was 0.0122 percent, which was an increase of 0.0001 percent from its proportionate share measured as of June 30, 2016.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

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

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

For the fiscal year ended December 31, 2017, the Authority recognized pension expense of \$105,114. In addition the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Recognition Period</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	7.2 years	\$ -	\$ 2,716
Change in assumptions	7.2 years	183,339	112,784
Net difference between projected and actual earnings on Pension Plan investments	5.0 years	723	-
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	7.2 years	69,985	24,853
Authority Pension Plan contributions subsequent to the measurement date		14,500	-
<b>Total</b>		<b>\$ 268,547</b>	<b>\$ 140,353</b>

The deferred outflows of resources related to the HIS Plan, totaling \$14,500 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 ended December 31, 2018.

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:

<u>Fiscal Year Ending December 31:</u>	<u>Amount</u>
2018	\$ 27,282
2019	27,145
2020	27,079
2021	27,993
2022	17,675
Thereafter	(13,480)

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

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

*Actuarial assumptions*

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.58%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study of the FRS for the period July 1, 2008 through June 30, 2013.

*Discount rate*

The discount rate used to measure the total pension liability was 3.58%. 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 3.58%, 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 (2.58%) or one percentage point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Authority's proportionate share of the net pension liability	\$ 1,488,373	\$ 1,304,295	\$ 1,150,968

**Pinellas County Housing Authority**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

7. Retirement plans (continued)

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

*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, 2017, the Authority did not have a payable for outstanding contributions to the HIS Plan required.

8. 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.

9. 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**

**December 31, 2017**

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

9. 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. Capital Funds awarded*

The Authority receives funding from HUD through the Public Housing Capital Fund Program to help subsidize the cost of project repairs, improvements and certain operating costs. Unspent awarded amounts as of December 31, 2017 amounted to \$364,197 for the Public Housing Capital Fund Program.

*d. Ground Lease - Redwood Apartments*

As part of the purchase of Redwood Apartments (see Note B-6-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 - Redwood Apartments, a land trust formed for the benefit of the Housing Finance Authority of Pinellas County, Florida ("FHA"). 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. All improvements, alterations, additions, equipment and fixtures shall remain the property of the Authority, subject to the restrictions under the lease.

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

9. Commitments and contingencies (continued)

*e. Ground Lease - Norton Apartments*

As part of the purchase of Norton Apartments (see Note B-6-h), 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 Housing Finance Authority of Pinellas County, Florida ("FHA"). 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. All improvements, alterations, additions, equipment and fixtures shall remain the property of the Authority, subject to the restrictions under the lease.

10. Concentrations

For the year ended December 31, 2017, approximately 70% of revenues and 1% 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.

11. 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**

**December 31, 2017**

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

12. Prior period adjustments

The Authority is reflecting \$202,503 as a prior period adjustment to decrease beginning net position. This correction is related to a payment received from the Landings at Cross Bayou, LLC. for interest receivable that was incorrectly reported as income in the prior year financials.

13. Condensed blended combining information

Condensed component unit information for the Authority's blended component units as listed in Note A-1 is presented below. Pinellas County Housing and Economic Development Corporation is included in the reporting entity as a blended component unit but this entity had incurred little to no activity as of December 31, 2017.

Condensed Statement of Net Position

	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Heritage Oaks, LLC	Pinellas Property Management Company
<b>Assets:</b>						
Current assets	\$ 5,514,429	\$ 1,777,157	\$ -	\$ 304,970	\$ -	\$ 1,363
Restricted assets	1,543,389	-	-	-	-	-
Due from other programs	475,476	600,000	-	327,026	-	-
Capital assets, net	23,165,544	134,116	-	-	35,766	-
Investments in joint ventures	-	-	600,000	-	-	-
Other noncurrent assets	327,765	-	-	-	-	-
<b>Total assets</b>	<b>31,026,603</b>	<b>2,511,273</b>	<b>600,000</b>	<b>631,996</b>	<b>35,766</b>	<b>1,363</b>
Deferred outflows	437,536	-	-	-	-	-
<b>Liabilities:</b>						
Current liabilities	1,064,602	2,051	-	-	-	59
Due to other programs	-	-	600,000	-	12,784	-
Noncurrent liabilities	17,141,003	-	-	-	-	-
<b>Total liabilities</b>	<b>18,205,605</b>	<b>2,051</b>	<b>600,000</b>	<b>-</b>	<b>12,784</b>	<b>59</b>
Deferred inflows	79,602	-	-	-	-	-
<b>Net position:</b>						
Net investment in capital assets	6,508,553	134,116	-	-	35,766	-
Restricted	1,587,994	-	-	-	-	-
Unrestricted	5,082,385	2,375,106	-	631,996	(12,784)	1,304
<b>Total net position</b>	<b>\$ 13,178,932</b>	<b>\$ 2,509,222</b>	<b>\$ -</b>	<b>\$ 631,996</b>	<b>\$ 22,982</b>	<b>\$ 1,304</b>

**Pinellas County Housing Authority**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2017**

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

**13. Condensed blended combining information (continued)**

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

	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Heritage Oaks, LLC	Pinellas Property Management Company
Operating revenues and (expenses)						
Tenant revenue, net	\$ 6,476,671	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	937,154	295,470	-	-	-	-
Depreciation	(1,864,654)	-	-	-	-	-
Other operating expenses	<u>(5,306,594)</u>	<u>(42,463)</u>	-	<u>(900)</u>	-	<u>(696)</u>
Operating income (loss)	242,577	253,007	-	(900)	-	(696)
Nonoperating revenues and (expenses)						
Interest income	33,003	54,266	-	3,309	-	-
Interest expense	(800,012)	-	-	-	-	-
Transfer from (to) other programs	<u>(53,076)</u>	<u>(2,563)</u>	-	-	-	-
Change in net position	<u>(577,508)</u>	<u>304,710</u>	-	<u>2,409</u>	-	<u>(696)</u>
Beginning net position	13,756,440	2,407,015	-	629,587	22,982	2,000
Prior period adjustment	-	<u>(202,503)</u>	-	-	-	-
Ending net position	<u>\$ 13,178,932</u>	<u>\$ 2,509,222</u>	<u>\$ -</u>	<u>\$ 631,996</u>	<u>\$ 22,982</u>	<u>\$ 1,304</u>

**Condensed Statement of Cash Flows**

	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Heritage Oaks, LLC	Pinellas Property Management Company
Net cash provided by (used in):						
Operating activities	\$ 2,395,047	\$ 253,555	\$ -	\$ (151,123)	\$ -	\$ 1,363
Capital and related financing activities	(2,098,752)	(339,182)	-	-	-	-
Investing activities	33,003	54,266	-	3,309	-	-
Net increase (decrease) in cash	329,298	(31,361)	-	(147,814)	-	-
Beginning cash	6,510,494	1,095,551	-	452,784	-	1,363
Ending cash	<u>\$ 6,839,792</u>	<u>\$ 1,064,190</u>	<u>\$ -</u>	<u>\$ 304,970</u>	<u>\$ -</u>	<u>\$ 1,363</u>

**14. Subsequent events**

Management has evaluated subsequent events through June 27, 2018, the date which the financial statements were available to be issued, and noted no significant items to be disclosed.



**REQUIRED SUPPLEMENTAL INFORMATION**

**Pinellas County Housing Authority**

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

**Year ended December 31, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportional share percentage	0.007283%	0.007250%	0.007200%
Net pension liability	\$ 2,154,186	\$ 1,803,807	\$ 936,402
Covered employee payroll	3,759,895	3,775,825	3,710,255
Net pension liability as percentage of covered employee payroll	57.29%	47.77%	25.24%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	96.09%
Contractually required contribution	189,588	174,212	174,731
Contributions in relation to the contractually required contribution	<u>(189,588)</u>	<u>(174,212)</u>	<u>(174,731)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	3,759,895	3,775,825	3,710,255
Contributions as a percentage of covered employee payroll	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 Comprehensive Annual Financial Report (See Note B-7-a for reference to FRS CAFR 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**

**Year ended December 31, 2017**

	<u>2017</u>		<u>2016</u>		<u>2015</u>
Proportional share percentage	0.0122%		0.0114%		0.0111%
Net pension liability	\$ 1,304,295	\$	1,407,161	\$	1,159,800
Covered employee payroll	3,759,895		3,775,825		3,710,255
Net pension liability as percentage of covered employee payroll	34.69%		37.27%		31.26%
Plan fiduciary net position as a percentage of the total pension liability	1.64%		0.97%		0.99%
Contractually required contribution	64,557		61,886		47,852
Contributions in relation to the contractually required contribution	(64,557)		(61,886)		(47,852)
Contribution deficiency (excess)	\$ -	\$	-	\$	-
Covered employee payroll	3,759,895		3,775,825		3,710,255
Contributions as a percentage of covered employee payroll	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 Comprehensive Annual Financial Report (See Note B-7-b for reference to FRS CAFR information).

See independent auditor's report.

**SUPPLEMENTAL INFORMATION**

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017																		
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 Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Resident Opportunity and Support Service 14.870	Central Office Cost Center
111	Cash - Unrestricted	589,254	-	789,007	-	-	-	-	-	-	-	-	-	1,378,261	862,741	191,672	-	755,974
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	51,081	-	-	-
114	Cash - Tenant Security Deposits	54,139	-	12,125	-	-	-	-	-	-	-	-	-	66,264	-	10,667	-	-
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	170,507	-	-	-
100	Total Cash	643,393	-	801,132	-	-	-	-	-	-	-	-	-	1,444,525	1,084,329	202,339	-	755,974
122	Accounts Receivable - HUD	744	-	2,327	-	-	-	-	-	-	-	-	-	3,071	7,552	-	-	12,087
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126	Accounts Receivable - Tenants Dwelling Rents	235	-	238	-	-	-	-	-	-	-	-	-	473	-	780	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(23)	-	(24)	-	-	-	-	-	-	-	-	-	(47)	-	(78)	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	956	-	2,541	-	-	-	-	-	-	-	-	-	3,497	7,552	702	-	12,087
142	Prepaid Expenses and Other Assets	79,965	-	25,482	-	-	-	-	-	-	-	-	-	105,447	32,692	17,070	-	468
143	Inventories	6,759	-	2,036	-	-	-	-	-	-	-	-	-	8,795	-	2,683	-	-
143.1	Allowance for Obsolete Inventories	(676)	-	(203)	-	-	-	-	-	-	-	-	-	(879)	-	(268)	-	-
144	Interprogram due from	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	158,327
150	Total Current Assets	730,397	-	830,988	-	-	-	-	-	-	-	-	-	1,561,385	1,124,573	222,526	-	940,167
161	Land	92,655	-	154,800	-	-	-	-	-	-	-	-	-	247,455	-	-	-	-
162	Buildings	11,752,509	-	5,047,769	-	-	-	-	-	1,132	-	-	-	16,801,410	-	3,685,616	-	-
164	Furniture, Equipment & Machinery - Administration	171,739	-	95,420	-	-	-	-	-	-	-	-	-	267,159	130,403	14,692	-	125,358
165	Leasehold Improvements	218,615	-	571,715	-	-	-	-	-	-	-	-	-	790,330	-	72,905	-	-
166	Accumulated Depreciation	(10,288,256)	-	(4,693,391)	-	-	-	-	-	(85)	-	-	-	(14,981,732)	(112,985)	(1,157,409)	-	(122,588)
167	Construction In Progress	87,571	-	-	-	-	-	-	-	-	-	35,380	-	122,951	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	2,034,833	-	1,176,313	-	-	-	-	-	1,047	-	35,380	-	3,247,573	17,418	2,615,804	-	2,770
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	5,855,000	-	-	-	3,000,000	-	-	-	8,855,000	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	2,034,833	-	1,176,313	-	5,855,000	-	-	-	3,001,047	-	35,380	-	12,102,573	17,418	2,615,804	-	2,770
190	<b>Total Assets</b>	<b>2,765,230</b>	<b>-</b>	<b>2,007,301</b>	<b>-</b>	<b>5,855,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,001,047</b>	<b>-</b>	<b>35,380</b>	<b>-</b>	<b>13,663,958</b>	<b>1,141,991</b>	<b>2,838,330</b>	<b>12,555</b>	<b>942,937</b>
200	Deferred Outflow of Resources	80,394	-	16,036	-	-	-	-	-	-	-	-	-	96,430	282,623	30,201	-	322,273
290	<b>Total Assets and Deferred Outflows</b>	<b>2,845,624</b>	<b>-</b>	<b>2,023,337</b>	<b>-</b>	<b>5,855,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,001,047</b>	<b>-</b>	<b>35,380</b>	<b>-</b>	<b>13,760,388</b>	<b>1,424,614</b>	<b>2,868,531</b>	<b>12,555</b>	<b>1,265,210</b>

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017																		
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 Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Resident Opportunity and Support Service 14.870	Central Office Cost Center
321	Accrued Wage/Payroll Taxes Payable	6,345	-	1,651	-	-	-	-	-	-	-	-	-	7,996	19,539	2,282	1,032	23,950
322	Accrued Compensated Absences	332	-	50	-	-	-	-	-	-	-	-	-	382	972	443	-	2,651
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,063	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	2,137	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	54,139	-	12,125	-	-	-	-	-	-	-	-	-	66,264	-	10,667	-	-
342	Unearned Revenues	5,800	-	394	-	-	-	-	-	-	-	-	-	6,194	-	753	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,180	-	-
345	Other current liabilities	546	-	277	-	-	-	-	-	-	-	-	-	823	170,507	2	-	-
346	Accrued liabilities - other	50,548	-	8,622	-	-	-	-	-	-	-	-	-	59,170	42,692	9,902	239	62,593
347	Interprogram due to	13,784	-	7,332	-	-	-	-	-	-	-	-	-	21,116	69,557	460,201	7,764	-
310	<b>Total Current Liabilities</b>	<b>131,494</b>	<b>-</b>	<b>30,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,945</b>	<b>305,404</b>	<b>521,493</b>	<b>9,035</b>	<b>89,194</b>
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,466,670	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	51,081	-	-	-
354	Accrued compensated Absences - Non Current	6,786	-	13,280	-	-	-	-	-	-	-	-	-	20,066	72,828	5,554	571	163,254
357	Net Pension Liability	295,988	-	16,983	-	-	-	-	-	-	-	-	-	312,971	829,020	69,179	2,949	922,732
350	<b>Total Noncurrent Liabilities</b>	<b>302,774</b>	<b>-</b>	<b>30,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333,037</b>	<b>952,929</b>	<b>2,541,403</b>	<b>3,520</b>	<b>1,085,986</b>
<b>300</b>	<b>Total Liabilities</b>	<b>434,268</b>	<b>-</b>	<b>60,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>494,982</b>	<b>1,258,333</b>	<b>3,062,896</b>	<b>12,555</b>	<b>1,175,180</b>
<b>400</b>	<b>Deferred Inflow of Resources</b>	<b>10,071</b>	<b>-</b>	<b>2,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,472</b>	<b>40,158</b>	<b>5,540</b>	<b>-</b>	<b>50,045</b>
508.4	Net Investment in Capital Assets	2,034,833	-	1,176,313	-	-	-	-	-	1,047	-	35,380	-	3,247,573	17,418	113,954	-	2,770
511.4	Restricted Net Position	-	-	-	-	5,855,000	-	-	-	3,000,000	-	-	-	8,855,000	-	-	-	-
512.4	Unrestricted Net Position	366,452	-	783,909	-	-	-	-	-	-	-	-	-	1,150,361	108,705	(313,859)	-	37,215
513	Total Equity	2,401,285	-	1,960,222	-	5,855,000	-	-	-	3,001,047	-	35,380	-	13,252,934	126,123	(199,905)	-	39,985
<b>600</b>	<b>Total Liabilities, Deferred Inflows and Equity</b>	<b>2,845,624</b>	<b>-</b>	<b>2,023,337</b>	<b>-</b>	<b>5,855,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,001,047</b>	<b>-</b>	<b>35,380</b>	<b>-</b>	<b>13,760,388</b>	<b>1,424,614</b>	<b>2,868,531</b>	<b>12,555</b>	<b>1,265,210</b>

See independent auditor's report.

**Pinellas County Housing Authority**

**FINANCIAL DATA SCHEDULE**

**Year ended December 31, 2017**

PHA: FL062 FYED: 12/31/2017																		
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 Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Resident Opportunity and Support Service 14.870	Central Office Cost Center
70300	Net Tenant Rental Revenue	602,687	-	308,256	-	-	-	-	-	-	-	-	-	910,943	-	92,788	-	-
70400	Tenant Revenue - Other	11,875	-	6,688	-	-	-	-	-	-	-	-	-	18,563	-	1,462	-	-
70500	Total Tenant Revenue	614,562	-	314,944	-	-	-	-	-	-	-	-	-	929,506	-	94,250	-	-
70600	HUD PHA Grants	926,944	71,899	249,000	37,776	-	-	-	-	20,895	-	-	13,552	1,320,066	27,140,118	503,403	24,381	-
70610	HUD PHA Capital Grants	-	347,341	-	75,452	-	-	-	-	-	1,132	-	10,428	434,353	-	-	-	-
70710	Management Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,277,963
70720	Asset Management Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,880
70730	Bookkeeping Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334,470
70750	Other Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	2,027	-	2,502	-	-	-	-	-	-	-	-	-	4,529	641	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	91,638	-	-	-
71500	Other revenue	40,259	-	-	-	-	-	-	-	-	-	-	-	40,259	66,597	3,469	57,634	169,017
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	1,495	-	-	-
<b>70000</b>	<b>Total Revenue</b>	<b>1,583,792</b>	<b>419,240</b>	<b>566,446</b>	<b>113,228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,895</b>	<b>1,132</b>	<b>-</b>	<b>23,980</b>	<b>2,728,713</b>	<b>27,300,489</b>	<b>601,122</b>	<b>82,015</b>	<b>1,796,330</b>

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017																		
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 Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Resident Opportunity and Support Service 14.870	Central Office Cost Center
91100	Administrative Salaries	68,179	12,406	43,871	5,054	-	-	-	-	-	-	-	-	129,510	842,782	35,329	36,938	1,007,367
91200	Accounting and Auditing Fees	9,097	-	5,003	-	-	-	-	-	-	-	-	-	14,100	22,499	1,140	-	-
91300	Management Fee	131,588	32,903	72,522	18,097	-	-	-	-	-	-	-	-	255,110	490,740	36,067	-	-
91310	Book-keeping Fee	17,895	-	9,863	-	-	-	-	-	-	-	-	-	27,758	306,712	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	32,043	-	19,478	-	-	-	-	-	-	-	-	-	51,521	331,625	20,286	21,567	401,610
91600	Office Expenses	78,650	-	58,258	-	-	-	-	-	-	-	-	-	136,908	271,972	20,184	15,071	99,705
91700	Legal Expense	6,137	-	2,718	-	-	-	-	-	-	-	-	-	8,855	9,551	1,941	-	2,862
91800	Travel	984	-	-	-	-	-	-	-	-	-	-	-	984	3,136	1,250	798	18,027
92000	Asset Management Fee Expense	9,600	-	5,280	-	-	-	-	-	-	-	-	-	14,880	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,129	-	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,050	-	-
92400	Tenant Services - Other	7,028	-	9,031	-	-	-	-	-	-	-	-	-	16,059	-	13,127	866	-
93100	Water	217,637	-	80,151	-	-	-	-	-	-	-	-	-	297,788	-	53,108	-	-
93200	Electricity	42,235	-	2,948	-	-	-	-	-	-	-	-	-	45,183	-	6,378	-	-
93300	Gas	51,139	-	688	-	-	-	-	-	-	-	-	-	51,827	-	951	-	-
94100	Ordinary Maintenance and Operations - Labor	174,824	-	21,224	-	-	-	-	-	-	-	-	-	196,048	-	46,975	-	-
94200	OMO - Materials and Other	117,255	-	13,231	-	-	-	-	-	-	-	-	-	130,486	-	27,885	-	9,607
94300	OMO - Contract Costs	251,665	-	55,399	-	-	-	-	-	-	-	-	-	307,064	-	69,064	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	72,040	-	10,496	-	-	-	-	-	-	-	-	-	82,536	-	27,257	-	-
95200	Protective Services - Other Contract Costs	84,023	-	5,075	-	-	-	-	-	-	-	-	-	89,098	-	1,264	-	-
96110	Property Insurance	62,916	-	15,818	-	-	-	-	-	-	-	-	-	78,734	-	11,983	-	-
96120	Liability Insurance	8,900	-	4,868	-	-	-	-	-	-	-	-	-	13,768	14,467	2,168	-	1,110
96130	Workmen's Compensasion	4,630	-	2,146	-	-	-	-	-	-	-	-	-	6,776	13,025	1,720	806	12,434
96140	All Other Insurance	2,858	-	972	-	-	-	-	-	-	-	-	-	3,830	5,902	949	59	4,974
96200	Other General Expenses	-	-	-	-	-	-	-	-	20,895	-	-	-	20,895	2,137	-	-	-

See independent auditor's report.



Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017																		
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 Other Operating 14.850	AMP Other Capital Fund 14.872	Total AMPS	Section 8 Housing Choice Voucher Program 14.871	N/C S/R Section 8 Programs 14.182	Resident Opportunity and Support Service 14.870	Central Office Cost Center
96210	Compensated Absences	23,775	-	14,239	-	-	-	-	-	-	-	-	-	38,014	62,286	11,276	5,910	101,194
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	8,729	-	2,984	-	-	-	-	-	-	-	-	-	11,713	-	-	4,227	-
96710	Interest on Mortgage (or Bonds ) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,186	-
96900	Total Operating Expenses	1,483,827	45,309	456,263	23,151	-	-	-	-	20,895	-	-	-	2,029,445	2,376,834	497,894	82,015	1,658,890
97000	Excess Operating Revenue over Operating Expenses	99,965	373,931	110,183	90,077	-	-	-	-	-	1,132	-	23,980	699,268	24,923,655	103,228	-	137,440
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	25,540,269	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	443,321	-	277,954	-	-	-	-	-	85	-	-	-	721,360	5,696	217,475	-	1,750
90000	Total Expenses	1,927,148	45,309	734,217	23,151	-	-	-	-	20,980	-	-	-	2,750,805	27,922,799	715,369	82,015	1,660,640
10010	Operating transfers in	26,590	-	14,625	-	-	-	-	-	-	-	-	-	41,215	-	-	-	-
10020	Operating transfers out	-	(26,590)	-	(14,625)	-	-	-	-	-	-	-	-	(41,215)	-	-	-	-
10100	Total other financing sources (Uses)	26,590	(26,590)	14,625	(14,625)	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	<b>Excess (deficiency) of total revenue over (under) total expenses</b>	<b>(316,766)</b>	<b>347,341</b>	<b>(153,146)</b>	<b>75,452</b>	-	-	-	-	<b>(85)</b>	<b>1,132</b>	-	<b>23,980</b>	<b>(22,092)</b>	<b>(622,310)</b>	<b>(114,247)</b>	-	<b>135,690</b>
11020	Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,405	-
11030	Beginning Equity	2,382,110	-	2,037,916	-	5,855,000	-	-	-	3,000,000	-	-	-	13,275,026	748,433	(85,658)	-	(95,705)
11040	Prior Period Adjustments, Equity transfer and correction of errors	335,941	(347,341)	75,452	(75,452)	-	-	-	-	1,132	(1,132)	-	11,400	-	-	-	-	-
11040.1	Prior period adjustment for incorrectly recorded interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	2,400	-	1,320	-	-	-	-	-	252	-	-	-	3,720	42,894	576	-	-
11210	Number of Unit Months Leased	2,386	-	1,315	-	-	-	-	-	245	-	-	-	3,688	40,895	573	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	126,123	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	(441)	-	35	-	-	-	-	-	-	-	-	-	758,397	-	512	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	1,132	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvement Purchases	-	347,341	-	75,452	-	-	-	-	-	-	-	-	504,472	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	10,428	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	13,552	13,552	-	-	-	-

See independent auditor's report.

**Pinellas County Housing Authority**

**FINANCIAL DATA SCHEDULE**

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017												
Line Item No.	Account Description	Business Activities: East Lake, Redwood & Corporate Office	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks, LLC	Pinellas Property Management Company (PPMC)	Blended Component Unit Subtotal	Elimination	Total
111	Cash - Unrestricted	1,477,561	5,296,403	1,064,190	-	304,970	80	-	1,363	6,667,006	-	11,333,215
113	Cash - other restricted	-	121,360	-	-	-	-	-	-	121,360	-	172,441
114	Cash - Tenant Security Deposits	138,671	203,533	-	-	-	-	-	-	203,533	-	419,135
115	Cash - Restricted for payment of current liability	-	1,218,496	-	-	-	-	-	-	1,218,496	-	1,389,003
100	<b>Total Cash</b>	<b>1,616,232</b>	<b>6,839,792</b>	<b>1,064,190</b>	<b>-</b>	<b>304,970</b>	<b>80</b>	<b>-</b>	<b>1,363</b>	<b>8,210,395</b>	<b>-</b>	<b>13,313,794</b>
122	Accounts Receivable - HUD	-	-	-	-	-	-	-	-	-	-	22,710
125	Accounts Receivable - Miscellaneous	-	1	703,875	-	-	-	-	-	703,876	-	703,876
126	Accounts Receivable - Tenants Dwelling Rents	-	58,202	-	-	-	-	-	-	58,202	-	59,455
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	(163)	-	-	-	-	-	-	(163)	-	(288)
129	Accrued interest receivable	1,675,508	-	-	-	-	-	-	-	-	-	1,675,508
120	<b>Total Receivables, net of allowances for doubtful accounts</b>	<b>1,675,508</b>	<b>58,040</b>	<b>703,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>761,915</b>	<b>-</b>	<b>2,461,261</b>
142	Prepaid Expenses and Other Assets	16,923	144,703	9,092	-	-	-	-	-	153,795	-	352,261
143	Inventories	12,198	16,981	-	-	-	-	-	-	16,981	-	40,657
143.1	Allowance for Obsolete Inventories	(1,220)	(1,698)	-	-	-	-	-	-	(1,698)	-	(4,065)
144	Interprogram due from	-	475,476	600,000	-	327,026	-	-	-	1,402,502	(1,560,829)	-
150	<b>Total Current Assets</b>	<b>3,319,641</b>	<b>7,533,294</b>	<b>2,377,157</b>	<b>-</b>	<b>631,996</b>	<b>80</b>	<b>-</b>	<b>1,363</b>	<b>10,543,890</b>	<b>(1,560,829)</b>	<b>16,163,908</b>
161	Land	5,655,795	6,497,859	-	-	-	-	-	-	6,497,859	-	12,401,109
162	Buildings	27,495,185	40,976,079	-	-	-	-	-	-	40,976,079	-	88,958,290
164	Furniture, Equipment & Machinery - Administration	149,019	492,014	-	-	-	-	-	-	492,014	-	1,178,645
165	Leasehold Improvements	876,989	667,652	-	-	-	-	-	-	667,652	-	2,407,876
166	Accumulated Depreciation	(11,844,286)	(25,636,954)	-	-	-	-	-	-	(25,636,954)	-	(53,855,954)
167	Construction In Progress	1,465,615	168,894	134,116	-	-	-	35,766	-	338,776	-	1,927,342
160	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>23,798,317</b>	<b>23,165,544</b>	<b>134,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,766</b>	<b>-</b>	<b>23,335,426</b>	<b>-</b>	<b>53,017,308</b>
171	Notes, loans, and mortgages receivable - Noncurrent	3,650,000	-	-	-	-	-	-	-	-	-	12,505,000
174	Other Assets	652,477	327,765	-	-	-	-	-	-	327,765	-	980,242
176	Investment in joint ventures	-	-	-	600,000	-	-	-	-	600,000	-	600,000
180	<b>Total Non-Current Assets</b>	<b>28,100,794</b>	<b>23,493,309</b>	<b>134,116</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>35,766</b>	<b>-</b>	<b>24,263,191</b>	<b>-</b>	<b>67,102,550</b>
190	<b>Total Assets</b>	<b>31,420,435</b>	<b>31,026,603</b>	<b>2,511,273</b>	<b>600,000</b>	<b>631,996</b>	<b>80</b>	<b>35,766</b>	<b>1,363</b>	<b>34,807,081</b>	<b>(1,560,829)</b>	<b>83,266,458</b>
200	Deferred Outflow of Resources	158,821	437,536	-	-	-	-	-	-	437,536	-	1,327,884
290	<b>Total Assets and Deferred Outflows</b>	<b>31,579,256</b>	<b>31,464,139</b>	<b>2,511,273</b>	<b>600,000</b>	<b>631,996</b>	<b>80</b>	<b>35,766</b>	<b>1,363</b>	<b>35,244,617</b>	<b>(1,560,829)</b>	<b>84,594,342</b>

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017												
Line Item No.	Account Description	Business Activities: East Lake, Redwood & Corporate Office	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks, LLC	Pinellas Property Management Company (PPMC)	Blended Component Unit Subtotal	Elimination	Total
321	Accrued Wage/Payroll Taxes Payable	5,971	58,061	-	-	-	-	-	-	58,061	-	118,831
322	Accrued Compensated Absences	2,875	4,807	-	-	-	-	-	-	4,807	-	12,130
325	Accrued interest payable	-	79,627	-	-	-	-	-	-	79,627	-	81,690
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	2,137
333	Accounts Payable - Other Government	80,235	113,918	-	-	-	-	-	-	113,918	-	194,153
341	Tenant Security Deposits	138,671	203,533	-	-	-	-	-	-	203,533	-	419,135
342	Unearned Revenues	53,951	3,848	-	-	-	-	-	-	3,848	-	64,746
343	Current portion of L-T debt - capital projects	326,640	456,605	-	-	-	-	-	-	456,605	-	818,425
345	Other current liabilities	-	910	-	-	-	-	-	-	910	-	172,242
346	Accrued liabilities - other	61,561	143,293	2,051	-	-	-	-	59	145,403	-	381,560
347	Interprogram due to	389,407	-	-	600,000	-	-	12,784	-	612,784	(1,560,829)	-
310	<b>Total Current Liabilities</b>	<b>1,059,311</b>	<b>1,064,602</b>	<b>2,051</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>12,784</b>	<b>59</b>	<b>1,679,496</b>	<b>(1,560,829)</b>	<b>2,265,049</b>
351	Long-term debt, net of current - capital projects	13,371,942	16,200,386	-	-	-	-	-	-	16,200,386	-	32,038,998
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	51,081
354	Accrued compensated Absences - Non Current	18,913	60,240	-	-	-	-	-	-	60,240	-	341,426
357	Net Pension Liability	441,253	880,377	-	-	-	-	-	-	880,377	-	3,458,481
350	<b>Total Noncurrent Liabilities</b>	<b>13,832,108</b>	<b>17,141,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,141,003</b>	<b>-</b>	<b>35,889,986</b>
<b>300</b>	<b>Total Liabilities</b>	<b>14,891,419</b>	<b>18,205,605</b>	<b>2,051</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>12,784</b>	<b>59</b>	<b>18,820,499</b>	<b>(1,560,829)</b>	<b>38,155,035</b>
<b>400</b>	<b>Deferred Inflow of Resources</b>	<b>28,118</b>	<b>79,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,602</b>	<b>-</b>	<b>215,935</b>
508.4	Net Investment in Capital Assets	10,099,735	6,508,553	134,116	-	-	-	35,766	-	6,678,435	-	20,159,885
511.4	Restricted Net Position	1,446,429	1,587,994	-	-	-	-	-	-	1,587,994	-	11,889,423
512.4	Unrestricted Net Position	5,113,555	5,082,385	2,375,106	-	631,996	80	(12,784)	1,304	8,078,087	-	14,174,064
513	Total Equity	16,659,719	13,178,932	2,509,222	-	631,996	80	22,982	1,304	16,344,516	-	46,223,372
<b>600</b>	<b>Total Liabilities, Deferred Inflows and Equity</b>	<b>31,579,256</b>	<b>31,464,139</b>	<b>2,511,273</b>	<b>600,000</b>	<b>631,996</b>	<b>80</b>	<b>35,766</b>	<b>1,363</b>	<b>35,244,617</b>	<b>(1,560,829)</b>	<b>84,594,342</b>

See independent auditor's report.

**Pinellas County Housing Authority**

**FINANCIAL DATA SCHEDULE**

**Year ended December 31, 2017**

PHA: FL062 FYED: 12/31/2017												
Line Item No.	Account Description	Business Activities: East Lake, Redwood & Corporate Office	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks, LLC	Pinellas Property Management Company (PPMC)	Blended Component Unit Subtotal	Elimination	Total
70300	Net Tenant Rental Revenue	2,892,943	4,684,599	-	-	-	-	-	-	4,684,599	-	8,581,273
70400	Tenant Revenue - Other	294,202	1,792,072	-	-	-	-	-	-	1,792,072	-	2,106,299
70500	Total Tenant Revenue	3,187,145	6,476,671	-	-	-	-	-	-	6,476,671	-	10,687,572
70600	HUD PHA Grants	-	-	-	-	-	-	-	-	-	-	28,987,968
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	434,353
70710	Management Fee Revenue	-	-	-	-	-	-	-	-	-	(1,277,963)	-
70720	Asset Management Fee Revenue	-	-	-	-	-	-	-	-	-	(14,880)	-
70730	Bookkeeping Fee Revenue	-	-	-	-	-	-	-	-	-	(334,470)	-
70750	Other Fee Revenue	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	745,947	-	-	-	-	-	-	745,947	-	745,947
71100	Investment Income - Unrestricted	1,406	19,099	54,266	-	3,309	-	-	-	76,674	-	83,250
71200	Mortgage interest income	486,898	13,904	-	-	-	-	-	-	13,904	(13,904)	486,898
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	91,638
71500	Other revenue	112,191	191,207	295,470	-	-	-	-	-	486,677	(177,420)	758,424
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	1,495
<b>70000</b>	<b>Total Revenue</b>	<b>3,787,640</b>	<b>7,446,828</b>	<b>349,736</b>	<b>-</b>	<b>3,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,799,873</b>	<b>(1,818,637)</b>	<b>42,277,545</b>

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017												
Line Item No.	Account Description	Business Activities: East Lake, Redwood & Corporate Office	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks, LLC	Pinellas Property Management Company (PPMC)	Blended Component Unit Subtotal	Elimination	Total
91100	Administrative Salaries	145,473	623,598	-	-	-	-	-	-	623,598	-	2,820,997
91200	Accounting and Auditing Fees	2,207	6,054	-	-	-	-	-	-	6,054	-	46,000
91300	Management Fee	151,743	344,303	-	-	-	-	-	-	344,303	(1,277,963)	-
91310	Book-keeping Fee	-	-	-	-	-	-	-	-	-	(334,470)	-
91400	Advertising and Marketing	9,961	-	-	-	-	-	-	-	-	-	9,961
91500	Employee Benefit Contributions - Administrative	62,713	212,679	-	-	-	-	-	-	212,679	-	1,102,001
91600	Office Expenses	46,478	229,583	3,262	-	-	-	-	696	233,541	(177,420)	646,439
91700	Legal Expense	2,764	3,248	24,757	-	-	-	-	-	28,005	-	53,978
91800	Travel	1,924	3,826	-	-	-	-	-	-	3,826	-	29,945
92000	Asset Management Fee Expense	-	-	-	-	-	-	-	-	-	(14,880)	-
92100	Tenant services - salaries	-	797,247	-	-	-	-	-	-	797,247	-	813,376
92200	Relocation Costs	8,933	-	-	-	-	-	-	-	-	-	8,933
92300	Employee benefit contributions - tenant services	-	110,938	-	-	-	-	-	-	110,938	-	117,988
92400	Tenant Services - Other	14,873	365,910	-	-	-	-	-	-	365,910	-	410,835
93100	Water	177,957	535,598	-	-	-	-	-	-	535,598	-	1,064,451
93200	Electricity	92,572	174,523	-	-	-	-	-	-	174,523	-	318,656
93300	Gas	9,104	28,711	-	-	-	-	-	-	28,711	-	90,593
94100	Ordinary Maintenance and Operations - Labor	134,614	310,132	-	-	-	-	-	-	310,132	-	687,769
94200	OMO - Materials and Other	101,065	192,934	-	-	-	-	-	-	192,934	-	461,977
94300	OMO - Contract Costs	337,083	551,396	-	-	-	-	-	-	551,396	-	1,264,607
94500	Employee Benefit Contributions - Ordinary Maintenance	74,069	144,765	-	-	-	-	-	-	144,765	-	328,627
95200	Protective Services - Other Contract Costs	28,208	19,180	-	-	-	-	-	-	19,180	-	137,750
96110	Property Insurance	134,118	312,789	-	-	-	-	-	-	312,789	-	537,624
96120	Liability Insurance	11,239	66,416	-	-	-	-	-	-	66,416	-	109,168
96130	Workmen's Compensasion	4,568	11,825	-	-	-	-	-	-	11,825	-	51,154
96140	All Other Insurance	1,238	6,550	-	-	-	-	-	-	6,550	-	23,502
96200	Other General Expenses	151,060	40,118	-	-	-	-	-	-	40,118	-	214,210

See independent auditor's report.

Pinellas County Housing Authority

FINANCIAL DATA SCHEDULE

Year ended December 31, 2017

PHA: FL062 FYED: 12/31/2017												
Line Item No.	Account Description	Business Activities: East Lake, Redwood & Corporate Office	Palm Lake Village Housing Corporation	PCHA Development, LLC	Pinellas Heights, LLC	Landings at Cross Bayou, LLC	Pinellas County Housing and Economic Development Corporation	Heritage Oaks, LLC	Pinellas Property Management Company (PPMC)	Blended Component Unit Subtotal	Elimination	Total
96210	Compensated Absences	28,192	96,946	-	-	-	-	-	-	96,946	-	343,818
96300	Payments in Lieu of Taxes	80,236	98,574	14,444	-	900	-	-	-	113,918	-	194,154
96400	Bad Debt - Tenant Rents	6,823	18,751	-	-	-	-	-	-	18,751	-	41,514
96710	Interest on Mortgage (or Bonds ) Payable	740,107	800,012	-	-	-	-	-	-	800,012	(13,904)	1,606,401
96900	Total Operating Expenses	2,559,322	6,106,606	42,463	-	900	-	-	696	6,150,665	(1,818,637)	13,536,428
97000	Excess Operating Revenue over Operating Expenses	1,228,318	1,340,222	307,273	-	2,409	-	-	(696)	1,649,208	-	28,741,117
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	25,540,269
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	1,122,518	1,864,654	-	-	-	-	-	-	1,864,654	-	3,933,453
90000	Total Expenses	3,681,840	7,971,260	42,463	-	900	-	-	696	8,015,319	(1,818,637)	43,010,150
10010	Operating transfers in	55,559	(80)	-	-	-	80	-	-	-	(96,774)	-
10020	Operating transfers out	-	(52,996)	(2,563)	-	-	-	-	-	(55,559)	96,774	-
10100	Total other financing sources (Uses)	55,559	(53,076)	(2,563)	-	-	80	-	-	(55,559)	-	-
10000	<b>Excess (deficiency) of total revenue over (under) total expenses</b>	<b>161,359</b>	<b>(577,508)</b>	<b>304,710</b>	<b>-</b>	<b>2,409</b>	<b>80</b>	<b>-</b>	<b>(696)</b>	<b>(271,005)</b>	<b>-</b>	<b>(732,605)</b>
11020	Debt Principal Payments	376,680	-	-	-	-	-	-	-	-	-	424,085
11030	Beginning Equity	16,498,360	13,756,440	2,407,015	-	629,587	-	22,982	2,000	16,818,024	-	47,158,480
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	(202,503)	-	-	-	-	-	(202,503)	-	(202,503)
11040.1	Prior period adjustment for incorrectly recorded interest	-	-	(202,503)	-	-	-	-	-	(202,503)	-	(202,503)
11190	Unit Months Available	3,036	-	-	-	-	-	-	-	-	-	50,226
11210	Number of Unit Months Leased	2,965	-	-	-	-	-	-	-	-	-	48,121
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	126,123
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	(1,220)	56,505	703,875	-	-	-	-	-	-	-	1,518,069
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvement Purchases	-	-	-	-	-	-	-	-	-	-	504,472
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	13,552

See independent auditor's report.

Pinellas County Housing Authority

SCHEDULE OF ACTUAL CAPITAL FUND PROGRAM COSTS AND ADVANCES

Year ended December 31, 2017

PROGRAM	CFP 501-12	CFP 501-13	CFP 501-14	CFP 501-15	CFP 501-16	RHF 501-13	RHF 501-14	RHF 501-15	Total
<b>BUDGET</b>	\$ 630,842	\$ 607,840	\$ 155,085	\$ 412,163	\$ 511,477	\$ 62,248	\$ 70,642	\$ 72,051	\$ 2,522,348
<b>ADVANCES</b>									
Cash receipts - prior years	\$ 630,842	\$ 556,800	\$ 155,085	\$ 150,850	\$ 105,640	\$ -	\$ -	\$ -	\$ 1,599,217
Cash receipts - current year	-	51,040	-	230,579	260,692	13,552	-	-	555,863
Cumulative as of December 31, 2017	630,842	607,840	155,085	381,429	366,332	13,552	-	-	2,155,080
<b>COSTS</b>									
Prior years	630,842	558,153	155,085	150,850	105,641	-	-	-	1,600,571
Current year	-	49,687	-	232,337	262,004	13,552	-	-	557,580
Cumulative as of December 31, 2017	630,842	607,840	155,085	383,187	367,645	13,552	-	-	2,158,151
<b>RECEIVABLE DUE FROM HUD</b>	\$ -	\$ -	\$ -	\$ 1,758	\$ 1,313	\$ -	\$ -	\$ -	\$ 3,071
<b>SOFT COSTS</b>									
Prior years	\$ 173,470	\$ 177,686	\$ 155,085	\$ 41,212	\$ -	\$ -	\$ -	\$ -	\$ 547,453
Current year	-	5,221	-	53,454	51,000	13,552	-	-	123,227
Cumulative as of December 31, 2017	173,470	182,907	155,085	94,666	51,000	13,552	-	-	670,680
<b>HARD COSTS</b>									
Prior years	457,372	380,467	-	109,638	105,641	-	-	-	1,053,118
Current year	-	44,466	-	178,883	211,004	-	-	-	434,353
Cumulative as of December 31, 2017	457,372	424,933	-	288,521	316,645	-	-	-	1,487,471
<b>CUMULATIVE HARD AND SOFT COSTS</b>	\$ 630,842	\$ 607,840	\$ 155,085	\$ 383,187	\$ 367,645	\$ 13,552	\$ -	\$ -	\$ 2,158,151

See independent auditor's report.

**SINGLE AUDIT SECTION**



**Pinellas County Housing Authority**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year ended December 31, 2017**

Federal Grantor/Pass -Through Grantor/ Program or Cluster Title	CFDA Number	Federal Expenditures
<u>Direct from the U.S. Department of Housing and Urban Development:</u>		
Housing Voucher Cluster		
Section 8 Housing Choice Voucher Program	14.871	\$ 27,140,118
Public and Indian Housing	14.850	1,196,839
Public Housing Capital Fund Program	14.872	557,580
Resident Opportunity and Support Service	14.870	24,381
Section 8 New Construction	14.182	503,403
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 29,422,321</b>

**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, CFDA 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.

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, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 27, 2018.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free 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.

June 27, 2018  
Melbourne, Florida

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

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

Board of Commissioners  
Pinellas County Housing Authority  
Pinellas County, Florida

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

We have audited Pinellas County Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

### **Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

### **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

June 27, 2018  
Melbourne, Florida

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

Pinellas County Housing Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2017

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? **None reported**

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

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

The program tested as a major program is as follows:

Low Rent Public Housing - CFDA No. 14.850

Housing Voucher Cluster:

Housing Choice Voucher Program - CFDA No. 14.871

The threshold for distinguishing types A and B programs was **\$882,670**

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

B. FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENTS AUDIT

**None.**

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

**None.**

D. PRIOR YEAR AUDIT FINDINGS

**None.**