HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION AND SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Fort Pierce
Fort Pierce, Florida

HUD, Miami Area Office
Office of Public Housing
909 S. E. First Avenue, Room 500
Miami, Florida 33131

Report on the Financial Statements
We have audited the accompanying financial statements of the Housing Authority of the City of Fort Pierce ("the Authority") which include the statement of net position as of and for the year ended June 30, 2018, and the related statements of revenues, expenses and changes in net position, cash flows for the year then ended, 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 basic 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 basic 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 basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages viii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

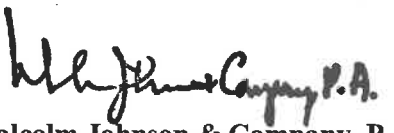
Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), the Financial Data Schedule, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards,* we have also issued our report dated February 1, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
February 1, 2019

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

The Housing Authority of the City of Fort Pierce's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority's net position increased $1.4 million (or 5.5%) during 2018. Net Position was $25.5 million and $26.9 million for 2017 and 2018 respectively.
- Revenues increased by $1.9 million (or 14.0%) during 2018 and were $14.0 million and $15.9 million for 2017 and 2018 respectively.
- The total expenses of all Authority programs increased $1.1 million (or 8.3%). Total expenses were $13.4 million and $14.5 million for 2017 and 2018 respectively.

Using This Annual Report

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

~ MANAGEMENT DISCUSSION AND ANALYSIS ~

BASIC FINANCIAL STATEMENTS

~ AUTHORITY-WIDE FINANCIAL STATEMENTS
~ NOTES TO FINANCIAL STATEMENTS

OTHER REQUIRED SUPPLEMENTARY INFORMATION

~ SUPPLEMENTAL INFORMATION (OTHER THAN MD&A)

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

Statement of Net Position - These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Position", formerly known as "Net Assets". Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly Net Assets) are reported in three broad categories:

> **Net Investment in Capital Assets:** This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
> **Restricted Net Position:** This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
> **Unrestricted Net Position:** Consists of Net Position that do not meet the definition of "Net Invested in Capital Assets, Net of Related Debt", or "Restricted Net Position".

Statement of Revenues, Expenses, and Changes in Net Position - The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Statement of Cash Flows - Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities and from investing activities.

The Authority's Main Programs

Significant Programs – The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under and Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Non-Significant Programs – In addition to the significant programs above, the Authority also maintains non-significant programs;

- Section 8 New Construction
- Resident Opportunities and Self Sufficiency Program – a grant program funded by the Department of Housing and Urban Development that encourages economic self-sufficiency among the Authority's resident population
- State/Local Programs – represents non-HUD resources developed from a variety of activities and funded by the State of Florida, St. Lucie County or City of Fort Pierce.

Authority-Wide Statements

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

Table 1 – Statement of Net Position

	2018	2017	Variance
Assets			
Current and other assets	$ 11,224,360	$ 9,460,323	$ 1,764,037
Captial assets	16,724,529	17,291,996	(567,467)
Total assets	**27,948,889**	**26,752,319**	**1,196,570**
Liabilities			
Current liabilities	924,374	868,345	56,029
Noncurrent liabilities	132,888	382,274	(249,386)
Total liabilities	**1,057,262**	**1,250,619**	**(193,357)**
Net Position			
Net investment in capital assets	16,436,228	16,729,070	(292,842)
Restricted net position	60,426	281,272	(220,846)
Unrestricted net position	10,394,973	8,491,358	1,903,615
Total Net Position	**$ 26,891,627**	**$ 25,501,700**	**$ 1,389,927**

Major Factors Affecting the Statement of Net Position

During 2018, current and other assets were increased by $1.2 million, capital assets decreased by $0.6 million, and current liabilities were increased by $0.05 million. Current and assets (primarily cash and investments) increased.

Capital assets decreased from $17.3 million to $16.7 million. The $0.6 million decrease is attributed primarily to current year depreciation.

For more detail see "Capital Assets" below.

Authority-Wide Statements (Continued)

Table 2 presents details on the change in Unrestricted Net Position

Table 2 – Change in Unrestricted Net Position

Unrestricted Net Position, June 30, 2017	$ 8,491,358
Results of operations	1,389,927
Adjustments:	
Depreciation (1)	1,657,250
Funding provided for Capital Grants (2)	(863,543)
Decrease in HAP Equity (3)	6,111
Fixed Asset Purchases	(286,130)
Unrestricted Net Position, June 30, 2018	**$ 10,394,973**

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.

(2) Funding provided for capital grants, pursuant to GASB 33, is presented as revenue. However, the revenue is absorbed by the associated capital expenditures and therefore does not increase Unrestricted Net Position.

(3) Housing Assistant Payments (HAP) HAP funding are paid using restricted cash therefore has no impact on Unrestricted Net Position.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

Authority-Wide Statements (Continued)

Table 3 – Statement of Revenues, Expenses and Changes in Net Position

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	2018	2017	Variance
Revenues			
Tenant rental revenue	$ 1,945,831	$ 1,990,863	$ (45,032)
Operating grants	11,360,739	10,922,215	438,524
Capital grants	863,543	626,130	237,413
Investment income	-	35	(35)
Special items (Net Gain/loss)	1,422,579	-	1,422,579
Other income	331,718	459,481	(127,763)
Total Revenue	**15,924,410**	**13,998,724**	**1,925,686**
Expenses			
Administrative expenses	1,964,143	1,893,394	70,749
Tenant services	29,863	31,899	(2,036)
Utilities	1,188,444	1,306,984	(118,540)
Maintenance and operations	3,088,407	2,325,600	762,807
Insurance	337,577	308,587	28,990
General expenses	366,577	326,908	39,669
Housing Assistance Payments	5,902,222	5,634,816	267,406
Depreciation	1,657,250	1,588,373	68,877
Total Expenses	**14,534,483**	**13,416,561**	**1,117,922**
Net Increase (Decrease)	**$ 1,389,927**	**$ 582,163**	**$ 807,764**

Major Factors Affecting the Statement of Revenue, Expenses and Changes In Net Position

Overall, total revenues grew considerably due to a repayment from HUD for a 2012 operating reserve offset. Operating Subsidies increased primarily in the Public Housing program where funding eligibility increased compared to the prior year. Capital Grants increased due to rehab activity. Rental, investment and other income decreased slightly.

There was an overall increase in expenses. Administrative expenses increased due to increased staffing, maintenance increased considerably due to unit rehab activity. Insurance expense increase somewhat while tenant service and utilities decreased. Housing assistance payments, general expenses and depreciation expenses increased.

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Authority had $16.7 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of $0.6 million or 3% from the end of last year.

Table 4 – Capital Assets at Year-End (Net of Depreciation)

	2018	2017	Variance
Land	$ 1,558,750	$ 1,432,721	$ 126,029
Buildings	58,038,060	57,138,670	899,390
Equipment - Dwellings	267,382	267,382	-
Equipment - Administrative	454,237	460,775	(6,538)
Leasehold Improvements	67,174	67,174	-
Construction in progress	2,346,374	2,281,583	64,791
	62,731,977	**61,648,305**	**1,083,672**
Accumulated Depreciation	(46,007,448)	(44,356,309)	(1,651,139)
Capital assets, net	**$ 16,724,529**	**$ 17,291,996**	**$ (567,467)**

Table 5 – Change in Capital Assets

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, June 30, 2017	$ 17,291,996
Additions/Deletions:	1,089,783
Depreciation and Amortization	(1,657,250)
Ending Balance, June 30, 2018	**$ 16,724,529**

Debt Outstanding

As of year-end, the Authority had $0.3 million in debt (bonds, notes, etc.) outstanding.

Table 6 – Outstanding Debt, at Year End

	2018	2017
Business Type		
Housing Development	$ 288,301	$ 562,926

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

Financial Contact

The individual to be contacted regarding this report is Andrea Kochanowski Executive Director, Fort Pierce Housing Authority, at (772) 461-7281. Specific requests may be submitted to Fort Pierce Housing Authority, 511 Orange Ave, Fort Pierce, Florida 34950.

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS	
Current assets	
Cash and cash equivalents, unrestricted	$ 10,416,779
Cash and cash equivalents, restricted	276,028
Accounts receivable, net of allowance	55,151
Due from other governments	115,874
Inventories, net of obsolescence	107,188
Prepaid expense	253,340
Total current assets	**11,224,360**
Noncurrent assets	
Capital assets	
Not being depreciated	3,905,124
Depreciable, net	12,819,405
Total capital assets, net	**16,724,529**
Total assets	**27,948,889**
Deferred Outflow of Resources	-
Total Assets and Deferred Outflow of Resources	**27,948,889**
LIABILITIES	
Current liabilities	
Vendors and contractors payable	67,605
Accrued wages/taxes payable	93,676
Accrued compensated absences	48,233
Accrued interest payable	233
Due to other governments	73,672
Unearned revenue	23,516
Notes and bonds payable	288,301
Other accrued liabilities	198,191
Resident security deposits	130,947
Total current liabilities	**924,374**
Noncurrent liabilities	
Accrued compensated absences	48,233
Other accrued liabilities	84,655
Total noncurrent liabilities	**132,888**
Total liabilities	**1,057,262**
Deferred Inflow of Resources	-
Total Liabilities and Deferred Inflow of Resources	**1,057,262**
NET POSITION	
Net investment in capital assets	16,436,228
Restricted	60,426
Unrestricted	10,394,973
Total net position	**$ 26,891,627**

The accompanying notes are an integral part of these basic financial statements.

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Operating revenues	
Rental revenue	$ 1,880,025
HUD grants	11,360,739
Other revenue (See Note W)	1,791,301
Total operating revenues	**15,032,065**
Operating expenses	
Administrative	1,964,143
Tenant services	29,863
Utilities	1,188,444
Ordinary maintenance & operation	2,496,108
Protective services	50,000
Insurance	337,577
General expenses	345,461
Housing assistance payments	5,902,222
Depreciation	1,657,250
Total operating expenses	**13,971,068**
Operating income (loss)	**1,060,997**
Nonoperating revenues (expenses)	
Interest expense	(21,116)
Fraud recovery	29,230
Extraordinary maintenance	(542,299)
Gain/(loss) on disposition of capital assets	(428)
Total nonoperating revenues	**(534,613)**
Income (loss) before contributions	**526,384**
Capital contributions	**863,543**
Increase (decrease) in net position	**1,389,927**
Net position, beginning of year	**25,501,700**
Net position, end of year	**$ 26,891,627**

The accompanying notes are an integral part of these basic financial statements.

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

Cash Flows From Operating Activities	
Receipts from dwelling rentals	$ 1,867,333
Operating grants	11,360,739
Other receipts	1,749,845
Payments to employees and suppliers	(6,835,759)
Payments to landlords, residents and employee benefits	(5,902,222)
Net cash provided (used) by operating activities	**2,239,936**
Cash Flows From Capital and Related Financing Activities	
Capital contributions	775,747
Purchases of capital assets	(1,090,210)
Gain or loss on disposition of capital assets	(1)
Proceeds from capital debt	(274,625)
Interest paid on capital debt	(21,340)
Net cash provided (used) by capital and related financing activities	**(610,429)**
Net increase (decrease) in cash and cash equivalents	**1,629,507**
Balance - beginning of the year	**9,063,300**
Balance - end of the year	**$ 10,692,807**
Reconciliation of Cash Flows to Statement of Net Position	
Cash and cash equivalents, unrestricted	$ 10,416,779
Cash and cash equivalents, restricted	276,028
	$ 10,692,807

There are no non-cash transactions.

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(Continued)

Reconciliation of Net Operating Income (Loss) to
Net Cash Provided (Used) By Operating Activities

Operating income/(loss)	**$ 1,060,997**
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	1,657,250
Increase in accounts receivable	(18,837)
Decrease in due to/from other governments	13,476
Decrease in due to/from other programs	(766)
Increase in prepaid expenses	(21,226)
Increase in security deposits	222
Decrease in accounts payable	(53,766)
Increase in accrued wages	11,692
Increase in accrued compensated absences	6,426
Increase in unearned revenue	2,299
Increase in accrued liabilities	95,238
Other revenue and expense reported as nonoperating	(513,069)
	$ 2,239,936

The accompanying notes are an integral part of these basic financial statements.

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

A - Summary of Significant Accounting Policies and Organization:

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

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

   Based upon the application of these criteria, the reporting entity is composed of an Enterprise Fund which includes the activities of several housing programs subsidized by the U.S. Department of Housing and Urban Development (HUD) and includes the blended presentation of its component unit, Fort Pierce Housing, Inc.

   Fort Pierce Housing, Inc., a not-for-profit corporation, was incorporated in 2012 for the purpose of providing affordable housing to the residents of Fort Pierce and St. Lucie County.

3. **Summary of HUD and Other Authority Programs:** The accompanying basic financial statements consist of the activities of the housing programs subsidized by HUD and Authority owned entities. A summary of each of these programs is provided below.

   a) **Low Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.

   b) **Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.

   c) **Resident Opportunity and Supportive Services (ROSS):** The Authority will provide supportive services and mentoring to its PH families with resident improvement and assistance in becoming economically self-sufficient.

A - Summary of Significant Accounting Policies and Organization: (Continued)

3. Summary of HUD Programs: (Continued)

d) **Housing Choice Vouchers:** This is a housing program wherein low rent tenants lease housing units directly from private landlords rather than through the Authority. The Authority contracts with private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low rent tenants. The Authority also administers a FSS Program for Housing Choice Voucher residents.

e) **Component Unit (Fort Pierce Housing, Inc.):** These activities represent the non-governmental portion of the Authority's operations which is not funded by Federal government. The entity, Fort Pierce Housing, Inc., a non-profit corporation, was established to provide management and development of non-publicly assisted affordable housing and other business activities on behalf of the Housing Authority of the City of Fort Pierce. Currently, the component unit has purchased and manages seven (7) units. The Authority intends to continue to grow its stock of non-federal affordable housing units.

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

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (Enterprise Fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

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

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
Restricted - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or they expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.
Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

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

A - Summary of Significant Accounting Policies and Organization: (Continued)

6. **Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

7. **Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.

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

9. **Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

10. **Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

11. **Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

12. **Fair Value of Financial Instruments:** The carrying amount of the Authority's financial instruments at June 30, 2018 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

13. **Capital Assets:**

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

    Land values were derived from development closeout documentation.

A - Summary of Significant Accounting Policies and Organization: (Continued)

13. Capital Assets: (Continued)

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

b. Depreciation: The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

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

Buildings	10-30 years
Furniture and equipment	5 years

c. Maintenance and Repairs Expenditures: Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of $1,500 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

d. Impairment of Long-Lived Assets: The Authority has been and is currently involved in various activities in conjunction with its modernization programs. In accordance with *Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets*. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. The Authority has reviewed and determined there was no impairment of long-lived assets during year ending June 30, 2018.

14. Compensated Absences: Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

A - Summary of Significant Accounting Policies and Organization: (Continued)

14. Compensated Absences: (Continued)

Full-time regular employees are granted leave benefits to specified maximums depending on tenure with the Authority. Generally, after three months of service, employees are entitled to all accrued leave upon termination. Annual leave not taken by employees may be accumulated, not to exceed 240 hours, of which no more than 120 hours vests.

Sick leave may be accumulated up to 720 hours. The estimated liability for vested leave benefits is recorded as an expenditure and liability in the basic financial statements. The current portion is presented in accrued salaries and benefits.

15. **Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable, and the loss is reasonably estimable.

16. **Annual Contribution Contracts:** Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

17. **Risk Management:** The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

    The Authority participates in public entity risk pool (Florida Housing Authority Risk Retention Corporation) (FHARM) for certain risks of loss, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

18. **Use of Restricted Assets:** It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

19. **Operating Revenues and Expenses:** The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. HUD Deposit and Investment Restrictions

HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

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

2. Risk Disclosures

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

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

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

c. **Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were $10,692,807, at June 30, 2018. Bank balances before reconciling items were $10,771,556 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name.

C - Accounts Receivable:

Dwelling rents (net of allowance for doubtful accounts of $34,348)	**$ 55,151**

D - Due From Other Governments:

U.S. Department of Housing and Urban Development (HUD)	$ 106,240
Other Public Housing Agencies	9,634
	$ 115,874

E - Prepaid Expense:

Prepaid insurance	$ 247,868
Prepaid Service Contract	5,472
	$ 253,340

F - Land, Buildings and Equipment:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Not being depreciated:					
Land	$ 1,432,721	$ 126,029	$ -	$ -	$ 1,558,750
Construction in progress	2,281,583	863,544	-	(798,753)	2,346,374
Total not being depreciated	**3,714,304**	**989,573**	**-**	**(798,753)**	**3,905,124**
Depreciable:					
Buildings & improvements	57,205,844	100,637	-	798,753	58,105,234
Accumulated depreciation	(43,543,494)	(1,569,502)	-	-	(45,112,996)
Net buildings & improvements	**13,662,350**	**(1,468,865)**	**-**	**798,753**	**12,992,238**
Equipment	728,157	-	(6,538)	-	721,619
Accumulated depreciation	(812,815)	(87,748)	6,111	-	(894,452)
Net equipment	**(84,658)**	**(87,748)**	**(427)**	**-**	**(172,833)**
Net depreciable assets	**13,577,692**	**(1,556,613)**	**(427)**	**798,753**	**12,819,405**
TOTAL	**$ 17,291,996**	**$ (567,040)**	**$ (427)**	**$ -**	**$ 16,724,529**

G - Long-Term Debt:

On July 24, 2006, the Authority entered into a Master Equipment Lease – Purchase Agreement with Fifth-Third Leasing Company. This agreement is the financing mechanism used to fund the energy equipment replacements and renovations included in the Energy Performance Contract between the Authority and Ameresco, Inc. Energy Performance Contracting is an innovative financing technique that uses cost savings from reduced energy consumption to repay the cost of installing energy conservation measures. The lease payments will begin twelve (12) months after the start of capital improvements which began in July 2006, resulting in the first payment being made August 2007. A negative amount will show in principal payments until that time. HUD has encouraged Housing Agencies such as the Authority to participate in such Energy Performance Contracts. As a result, the Authority has an outstanding balance on this capital lease as of June 30, 2018 of $288,302. The capital lease is as follows:

June 30,	Principal Reduction	Interest Expense	Interest Rate
2019	$ 288,302	$ 6,492	4.87%

H - Due to Other Government:

Payment in lieu of Taxes – City of Fort Pierce	$ 73,672

I - Unearned Revenue

Tenant prepaid rent	$ 23,516

J - Other Accrued Liabilities:

Utilities	$ 198,191

K - Schedule of Changes in Noncurrent Liabilities:

	Balance at June 30, 2017		Year Ended June 30, 2018		Balance at June 30, 2018	
	Noncurrent Portion	Current Portion	Additions	Payments	Current Portion	Noncurrent Portion
Notes payable	$ 288,301	$ 274,625	$ -	$ (274,625)	$ 288,301	$ -
Accrued compensated absences	41,812	41,807	77,261	(64,414)	48,233	48,233
Family Self-Sufficiency Escrow	52,161	-	32,494	-	-	84,655
	$ 382,274	$ 316,432	$ 109,755	$ (339,039)	$ 336,534	$ 132,888

L - Annual Contributions by Federal Agencies:

Low Rent Public Housing - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contribution`s for the year ended June 30, 2018, were $4,809,369. HUD also contributed additional funds for modernization and operations in the amount of $1,178,932 for the year ended June 30, 2018.

Section 8 Housing Program - The Section 8 Housing programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. The Authority is also eligible to receive reimbursement of preliminary expenses prior to lease up. HUD contributions for the year ended June 30, 2018, were $6,208,089.

M - Pension Plans

a. **Defined Contribution Plan:** The Authority provides pension benefits for all its full-time employees through a defined contribution plan entitled "Securian Qualified 401 (k) Plan". The plan is administered by Securian. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Board of Commissioners for the Authority is authorized to establish and amend plan benefits. Employees are eligible to participate after three months of employment. The Authority contributes 13% of the employee's base salary each month, with employee contribution being voluntary. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after 5 years of continuous service, or until age 55, whichever is first. Authority contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Authority's current-period contribution requirement.

   The Authority's total payroll in fiscal year 2018 was $2,009,994. The Authority's contributions were calculated using $2,006,917. The Authority made the required contributions amounting to $252,206.

b. **Deferred Compensation Plan:** The Authority offers a packaged "non-qualified" Deferred Compensation Plan that allows eligible employees to defer annually up to $15,500 per year (2008 limit) on a tax deferred basis. There is also a "catch-up" provision allowing employees age 50 and over to annually contribute an additional $5,000. Newly hired employees can enroll in the program after completing their 3-month probationary period at which time they would be eligible for all other FPHA's benefits. This product offers significant tax benefits as it lowers individual's taxes based on reducing gross earnings, and it allows contributions and earnings to grow "tax deferred" until distribution when individuals are typically in a lower tax bracket. At June 30, 2018, the Authority has sixteen (16) participants enlisted in this program with contributions for fiscal year totaling $20,088.

M - Pension Plans (Continued)

b. Deferred Compensation Plan: (Continued)

If the member was vested at death, the beneficiary may receive a refund of contributions paid by the member or, if the beneficiary qualifies as a joint annuitant, a lifetime monthly benefit calculated as though the member had retired on the date of death and had chosen option 3, unless the joint annuitant is the member's child or other dependent for whom the member has guardianship, in which case, effective January 1, 1996, he or she will receive the member's maximum benefit only until age 25, or, if disabled, until he or she is no longer disabled.

c. Other Post-Employment Benefits (OPEB): In relation to its employee benefit programs, the Authority does not provide any Other Post-Employment Benefits, as outlined under GASB 45 or 75.

N - Economic Dependency: The Authority receives approximately 84 % of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.

O - Contingencies:

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

2. The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority (and the Authority's attorney) that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

P - Conduit Type Debt: Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the basic financial statements of the Authority. Additionally, HUD no longer provides debt service information to the Authority.

Q - Commitments: The Authority is engaged in a modernization program funded by HUD. In this regard, the Authority has uncompleted construction-type contracts remaining at June 30, 2018 of $378,259.

R - Leasing Activities (as Lessor): The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

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

S - Interprogram Transfers: The Authority will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. During the year ended June 30, 2018, the Capital Fund Program transferred $235,476 to the Low Rent Public Housing Program.

T - Operating Leases: The Authority is committed under various non-cancelable leases for office space and equipment. These leases have been accounted for as operating leases in the accompanying basic financial statements. The office lease is subject to an annual escalation clause in an amount equal to the percentage change in the consumer price index.

U - Subsequent Events: Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through the Date of the Independent Auditors Report and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

V - **Condensed Statement – Component Unit:** As per GASB 61, the condensed combining information is provided on the component unit with a fiscal year end of June 30, 2018.

		Component Unit		
	Fort Pierce Housing Authority	**Fort Pierce Housing, Inc.**	**Elimination**	**Total**
Condensed Statement of Net Position				
Current Assets	$ 4,599,714	$ 6,625,646	$ (1,000)	$ 11,224,360
Capital Assets	15,740,692	983,837	-	16,724,529
Total Assets	**20,340,406**	**7,609,483**	**(1,000)**	**27,948,889**
Deferred Outflow of Resources	-	-	-	-
Total Assets and Deferred Outflow of Resources	**20,340,406**	**7,609,483**	**(1,000)**	**27,948,889**
Current Liabilities	915,279	10,095	(1,000)	924,374
Noncurrent Liabilities	132,888	-	-	132,888
Total Liabilities	**1,048,167**	**10,095**	**(1,000)**	**1,057,262**
Deferred Inflow of Resources	-	-	-	-
Total Liabilities and Deferred Inflow of Resources	**1,048,167**	**10,095**	**(1,000)**	**1,057,262**
Net Investment in Capital Assets	15,452,391	983,837	-	16,436,228
Restricted	(6,555,125)	6,615,551	-	60,426
Unrestricted	10,394,973	-	-	10,394,973
Total Net Position	**$19,292,239**	**$ 7,599,388**	**$ -**	**$26,891,627**

V - Condensed Statement – Component Unit: (Continued)

	Fort Pierce Housing Authority	Component Unit Fort Pierce Housing, Inc.	Elimination	Total
Condensed Statement of Revenues, Expenses and Changes in Net Position				
Operating Revenues	**$17,674,744**	**$ 85,464**	**$ (2,728,143)**	**$15,032,065**
Operating Expenses				
Operating Expense-Other	14,937,488	104,473	(2,728,143)	12,313,818
Depreciation Expense	1,657,250	-	-	1,657,250
Total Operating Expenses	**16,594,738**	**104,473**	**(2,728,143)**	**13,971,068**
Nonoperating Revenue(Expense)				
Nonoperating Revenue-Other	29,230	-	-	29,230
Nonoperating Expense-Other	(563,843)	-		(563,843)
Total Nonoperating Revenue(Expense)	**(534,613)**	**-**	**-**	**(534,613)**
Transfers, Capital Contributions and Extraordinary Items	**(2,000,000)**	**2,000,000**	**-**	**-**
Change in Net Position	(591,064)	1,980,991	-	1,389,927
Net Position, beginning of year	19,883,303	5,618,397	-	25,501,700
Net Position, end of year	**$19,292,239**	**$ 7,599,388**	**$ -**	**$26,891,627**

	Fort Pierce Housing Authority	Component Unit Fort Pierce Housing, Inc.	Elimination	Total
Condensed Statement of Cash Flows				
Net Cash Flows from (used) Operating Activities	$ 2,239,936	$ -	$ -	$ 2,239,936
Net Cash provided (used) by Capital and Related Financing Activities	(383,763)	(226,666)	-	(610,429)
Net increase in Cash and Cash Equivalents	**1,856,173**	**(226,666)**	**-**	**1,629,507**
Cash-Beginning of year	**9,063,300**	**-**	**-**	**9,063,300**
Cash-End of year	**$10,919,473**	**$ (226,666)**	**$ -**	**$10,692,807**

W – Special Items (Other Revenue): The Authority received $1,422,579 resulting from a recently settled law suit with the U.S. Department of Housing Development – HUD over prior year error in computing operating subsidies. These funds have been determined to be classified as Non-Federal in nature by the Courts.

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2018

	Project Total	14.871 Housing Choice Vouchers	Blended Component Unit	2 State/ Local	14.877 Public Housing FSS under ROSS	COCC	Eliminations	Total 2018
ASSETS								
Current assets								
Cash and cash equivalents, unrestricted	$ 3,120,168	$ 89,049	$ 6,613,592	$ -	$ -	$ 593,970	$ -	$ 10,416,779
Cash and cash equivalents, restricted	137,568	122,717	7,373	8,370	-	-	-	276,028
Accounts receivable, net of allowance	52,521	-	1,892	1,738	-	-	(1,000)	55,151
Due from other governments	106,240	3,729	-	-	-	5,905	-	115,874
Due from/to other programs	-	-	-	(23,351)	-	23,351	-	-
Inventories, net of obsolescence	107,188	-	-	-	-	-	-	107,188
Prepaid expense	165,128	13,042	2,789	3,045	-	69,336	-	253,340
Total current assets	**3,688,813**	**228,537**	**6,625,646**	**(10,198)**	**-**	**692,562**	**(1,000)**	**11,224,360**
Noncurrent assets								
Capital assets								
Not being depreciated	3,734,138	-	169,329	-	-	1,657	-	3,905,124
Depreciable, net	10,650,529	-	814,508	-	-	1,354,368	-	12,819,405
Total capital assets, net	**14,384,667**	**-**	**983,837**	**-**	**-**	**1,356,025**	**-**	**16,724,529**
Total assets	**18,073,480**	**228,537**	**7,609,483**	**(10,198)**	**-**	**2,048,587**	**(1,000)**	**27,948,889**
Deferred Outflow of Resources	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Assets and Deferred Outflow of Resources	**18,073,480**	**228,537**	**7,609,483**	**(10,198)**		**2,048,587**	**(1,000)**	**27,948,889**

LIABILITIES								
Current liabilities								
Vendors and contractors payable	60,479	3,318	-	-	-	4,808	(1,000)	67,605
Accrued wages/taxes payable	18,806	8,528	-	378	-	65,964	-	93,676
Accrued compensated absences	7,974	4,652	-	418	-	35,189	-	48,233
Accrued interest payable	233	-	-	-	-	-	-	233
Due to other governments	73,672	-	-	-	-	-	-	73,672
Unearned revenue	19,858	-	2,096	1,562	-	-	-	23,516
Notes and bonds payable	288,301	-	-	-	-	-	-	288,301
Other accrued liabilities	196,332	-	626	150	-	1,083	-	198,191
Resident security deposits	116,051	-	7,373	7,523	-	-	-	130,947
Total current liabilities	**781,706**	**16,498**	**10,095**	**10,031**	**-**	**107,044**	**(1,000)**	**924,374**
Noncurrent liabilities								
Accrued compensated absences	7,974	4,652	-	418	-	35,189	-	48,233
Other accrued liabilities	21,517	62,291	-	847	-	-	-	84,655
Total noncurrent liabilities	**29,491**	**66,943**	**-**	**1,265**	**-**	**35,189**	**-**	**132,888**
Total liabilities	**811,197**	**83,441**	**10,095**	**11,296**	**-**	**142,233**	**(1,000)**	**1,057,262**
Deferred Inflow of Resources	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflow of Resources	**811,197**	**83,441**	**10,095**	**11,296**	**-**	**142,233**	**(1,000)**	**1,057,262**
NET POSITION								
Net investment in capital assets	14,096,366	-	983,837	-	-	1,356,025	-	16,436,228
Restricted	-	60,426	-	-	-	-	-	60,426
Unrestricted	3,165,917	84,670	6,615,551	(21,494)	-	550,329	-	10,394,973
Total net position	**$ 17,262,283**	**$ 145,096**	**$ 7,599,388**	**$ (21,494)**	**$ -**	**$ 1,906,354**	**$ -**	**$ 26,891,627**

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Project Total	14.871 Housing Choice Vouchers	Blended Component Unit	2 State/ Local	14.877 Public Housing FSS under ROSS	COCC	Eliminations	Total 2018
Operating revenues								
Rental revenue	$ 1,708,657	$ -	$ 84,273	$ 87,095	$ -	$ -	$ -	$ 1,880,025
Fee revenue	-	-	-	-	-	2,728,143	(2,728,143)	-
HUD grants	5,124,758	6,206,118	-	-	29,863	-	-	11,360,739
Other revenue (See Note W)	209,490	8,607	1,191	1,521	-	1,570,492	-	1,791,301
Total operating revenues	**7,042,905**	**6,214,725**	**85,464**	**88,616**	**29,863**	**4,298,635**	**(2,728,143)**	**15,032,065**
Operating expenses								
Administrative	1,352,829	490,538	14,978	27,972	-	1,080,380	(1,002,554)	1,964,143
Asset management fee	99,240	-	-	-	-	-	(99,240)	-
Tenant services	-	-	-	-	29,863	-	-	29,863
Utilities	1,165,389	-	819	9,502	-	12,734	-	1,188,444
Ordinary maintenance & operation	3,063,886	-	40,831	45,015	-	972,725	(1,626,349)	2,496,108
Protective services	50,000	-	-	-	-	-	-	50,000
Insurance	236,582	19,832	4,157	3,991	-	73,015	-	337,577
General expenses	199,187	58,320	13,770	2,910	-	71,274	-	345,461
Housing assistance payments	-	5,902,222	-	-	-	-	-	5,902,222
Depreciation	1,551,848	-	29,918	-	-	75,484	-	1,657,250
Total operating expenses	**7,718,961**	**6,470,912**	**104,473**	**89,390**	**29,863**	**2,285,612**	**(2,728,143)**	**13,971,068**
Operating income (loss)	**(676,056)**	**(256,187)**	**(19,009)**	**(774)**	**-**	**2,013,023**	**-**	**1,060,997**
Nonoperating revenues (expenses)								
Interest expense	(21,116)	-	-	-	-	-	-	(21,116)
Fraud recovery	-	29,230	-	-	-	-	-	29,230
Extraordinary maintenance	(353,886)	-	-	-	-	(188,413)	-	(542,299)
Gain/(loss) on disposition of capital assets	-	-	-	-	-	(428)	-	(428)
Total nonoperating revenues	**(375,002)**	**29,230**	**-**	**-**	**-**	**(188,841)**	**-**	**(534,613)**
Income (loss) before contributions and transfers	**(1,051,058)**	**(226,957)**	**(19,009)**	**(774)**	**-**	**1,824,182**	**-**	**526,384**
Capital contributions	**863,543**	**-**	**-**	**-**	**-**	**-**	**-**	**863,543**
Transfers from (to) other programs	**-**	**-**	**2,000,000**	**-**	**-**	**(2,000,000)**	**-**	**-**
Increase (decrease) in net position	**(187,515)**	**(226,957)**	**1,980,991**	**(774)**	**-**	**(175,818)**	**-**	**1,389,927**
Net position, beginning of year	**17,449,798**	**372,053**	**5,618,397**	**(20,720)**	**-**	**2,082,172**	**-**	**25,501,700**
Net position, end of year	**$ 17,262,283**	**$ 145,096**	**$ 7,599,388**	**$ (21,494)**	**$ -**	**$ 1,906,354**	**$ -**	**$ 26,891,627**

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE (FL041)
FORT PIERCE, FL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 06/30/2018

	Project Total	6.2 Component Unit - Blended	2 State/Local	14.877 Public Housing Family Self-Sufficiency under ROSS	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$3,120,168	$6,613,592	$0	$0	$89,049	$593,970	$10,416,779		$10,416,779
112 Cash - Restricted - Modernization and Development	$0	$0	$0	$0	$0	$0	$0		$0
113 Cash - Other Restricted	$21,517	$0	$847	$0	$122,717	$0	$145,081		$145,081
114 Cash - Tenant Security Deposits	$116,051	$7,373	$7,523	$0	$0	$0	$130,947		$130,947
115 Cash - Restricted for Payment of Current Liabilities	$0	$0	$0	$0	$0	$0	$0		$0
100 Total Cash	$3,257,736	$6,620,965	$8,370	$0	$211,766	$593,970	$10,692,807	$0	$10,692,807
121 Accounts Receivable - PHA Projects	$0	$0	$0	$0	$3,729	$0	$3,729		$3,729
122 Accounts Receivable - HUD Other Projects	$106,240	$0	$0	$0	$0	$0	$106,240		$106,240
124 Accounts Receivable - Other Government	$0	$0	$0	$0	$0	$5,905	$5,905		$5,905
125 Accounts Receivable - Miscellaneous	$1,000	$0	$0	$0	$0	$0	$1,000	-$1,000	$0
126 Accounts Receivable - Tenants	$85,869	$1,892	$1,738	$0	$0	$0	$89,499		$89,499
126.1 Allowance for Doubtful Accounts -Tenants	-$34,348	$0	$0	$0	$0	$0	-$34,348		-$34,348
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0		$0
127 Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0	$0	$0	$0	$0		$0
128 Fraud Recovery	$0	$0	$0	$0	$36,056	$0	$36,056		$36,056
128.1 Allowance for Doubtful Accounts - Fraud	$0	$0	$0	$0	-$36,056	$0	-$36,056		-$36,056
129 Accrued Interest Receivable	$0	$0	$0	$0	$0	$0	$0		$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	$158,761	$1,892	$1,738	$0	$3,729	$5,905	$172,025	-$1,000	$171,025
131 Investments - Unrestricted	$0	$0	$0	$0	$0	$0	$0		$0
132 Investments - Restricted	$0	$0	$0	$0	$0	$0	$0		$0
135 Investments - Restricted for Payment of Current Liability	$0	$0	$0	$0	$0	$0	$0		$0
142 Prepaid Expenses and Other Assets	$165,128	$2,789	$3,045	$0	$13,042	$69,336	$253,340		$253,340
143 Inventories	$114,030	$0	$0	$0	$0	$0	$114,030		$114,030
143.1 Allowance for Obsolete Inventories	-$6,842	$0	$0	$0	$0	$0	-$6,842		-$6,842
144 Inter Program Due From	$0	$0	$0	$0	$0	$23,351	$23,351	-$23,351	$0
145 Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0		$0
150 Total Current Assets	$3,688,813	$6,625,646	$13,153	$0	$228,537	$692,562	$11,248,711	-$24,351	$11,224,360

161 Land	$1,387,764	$169,329	$0	$0	$0	$1,657	$1,558,750		$1,558,750
162 Buildings	$55,399,164	$897,554	$0	$0	$0	$1,741,342	$58,038,060		$58,038,060
163 Furniture, Equipment & Machinery - Dwellings	$267,382	$0	$0	$0	$0	$0	$267,382		$267,382
164 Furniture, Equipment & Machinery - Administration	$0	$0	$0	$0	$2,881	$451,356	$454,237		$454,237
165 Leasehold Improvements	$67,174	$0	$0	$0	$0	$0	$67,174		$67,174
166 Accumulated Depreciation	-$45,083,191	-$83,046	$0	$0	-$2,881	-$838,330	-$46,007,448		-$46,007,448
167 Construction in Progress	$2,346,374	$0	$0	$0	$0	$0	$2,346,374		$2,346,374
168 Infrastructure	$0	$0	$0	$0	$0	$0	$0		$0
160 Total Capital Assets, Net of Accumulated Depreciation	$14,384,667	$983,837	$0	$0	$0	$1,356,025	$16,724,529	$0	$16,724,529
171 Notes, Loans and Mortgages Receivable - Non-Current	$0	$0	$0	$0	$0	$0	$0		$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0	$0	$0	$0	$0	$0	$0		$0
173 Grants Receivable - Non Current	$0	$0	$0	$0	$0	$0	$0		$0
174 Other Assets	$0	$0	$0	$0	$0	$0	$0		$0
176 Investments in Joint Ventures	$0	$0	$0	$0	$0	$0	$0		$0
180 Total Non-Current Assets	$14,384,667	$983,837	$0	$0	$0	$1,356,025	$16,724,529	$0	$16,724,529
200 Deferred Outflow of Resources	$0	$0	$0	$0	$0	$0	$0	$0	$0
290 Total Assets and Deferred Outflow of Resources	$18,073,480	$7,609,483	$13,153	$0	$228,537	$2,048,587	$27,973,240	-$24,351	$27,948,889
311 Bank Overdraft	$0	$0	$0	$0	$0	$0	$0		$0
312 Accounts Payable <= 90 Days	$60,479	$0	$0	$0	$3,318	$4,808	$68,605	-$1,000	$67,605
313 Accounts Payable >90 Days Past Due	$0	$0	$0	$0	$0	$0	$0		$0
321 Accrued Wage/Payroll Taxes Payable	$18,806	$0	$378	$0	$8,528	$65,964	$93,676		$93,676
322 Accrued Compensated Absences - Current Portion	$7,974	$0	$418	$0	$4,652	$35,189	$48,233		$48,233
324 Accrued Contingency Liability	$0	$0	$0	$0	$0	$0	$0		$0
325 Accrued Interest Payable	$233	$0	$0	$0	$0	$0	$233		$233
331 Accounts Payable - HUD PHA Programs	$0	$0	$0	$0	$0	$0	$0		$0
332 Account Payable - PHA Projects	$0	$0	$0	$0	$0	$0	$0		$0
333 Accounts Payable - Other Government	$73,672	$0	$0	$0	$0	$0	$73,672		$73,672
341 Tenant Security Deposits	$116,051	$7,373	$7,523	$0	$0	$0	$130,947		$130,947
342 Unearned Revenue	$19,858	$2,096	$1,562	$0	$0	$0	$23,516		$23,516
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$288,301	$0	$0	$0	$0	$0	$288,301		$288,301
344 Current Portion of Long-term Debt - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0		$0
345 Other Current Liabilities	$0	$0	$0	$0	$0	$0	$0		$0

346 Accrued Liabilities - Other	$196,332	$626	$150	$0	$0	$1,083	$198,191		$198,191
347 Inter Program - Due To	$0	$0	$23,351	$0	$0	$0	$23,351	-$23,351	$0
348 Loan Liability - Current	$0	$0	$0	$0	$0	$0	$0		$0
310 Total Current Liabilities	$781,706	$10,095	$33,382	$0	$16,498	$107,044	$948,725	-$24,351	$924,374
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$0	$0	$0		$0
352 Long-term Debt, Net of Current - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0		$0
353 Non-current Liabilities - Other	$21,517	$0	$847	$0	$62,291	$0	$84,655		$84,655
354 Accrued Compensated Absences - Non Current	$7,974	$0	$418	$0	$4,652	$35,189	$48,233		$48,233
355 Loan Liability - Non Current	$0	$0	$0	$0	$0	$0	$0		$0
356 FASB 5 Liabilities	$0	$0	$0	$0	$0	$0	$0		$0
357 Accrued Pension and OPEB Liabilities	$0	$0	$0	$0	$0	$0	$0		$0
350 Total Non-Current Liabilities	$29,491	$0	$1,265	$0	$66,943	$35,189	$132,888	$0	$132,888
300 Total Liabilities	$811,197	$10,095	$34,647	$0	$83,441	$142,233	$1,081,613	-$24,351	$1,057,262
400 Deferred Inflow of Resources	$0	$0	$0	$0	$0	$0	$0	$0	$0
									.
508.4 Net Investment in Capital Assets	$14,096,366	$983,837	$0	$0	$0	$1,356,025	$16,436,228		$16,436,228
511.4 Restricted Net Position	$0	$0	$0	$0	$60,426	$0	$60,426		$60,426
512.4 Unrestricted Net Position	$3,165,917	$6,615,551	-$21,494	$0	$84,670	$550,329	$10,394,973		$10,394,973
513 Total Equity - Net Assets / Position	$17,262,283	$7,599,388	-$21,494	$0	$145,096	$1,906,354	$26,891,627	$0	$26,891,627
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$18,073,480	$7,609,483	$13,153	$0	$228,537	$2,048,587	$27,973,240	-$24,351	$27,948,889

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE (FL041)
FORT PIERCE, FL

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 06/30/2018

	Project Total	6.2 Component Unit - Blended	2 State/Local	14.877 Public Housing Family Self-Sufficiency under ROSS	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$1,708,657	$84,273	$87,095	$0	$0	$0	$1,880,025		$1,880,025
70400 Tenant Revenue - Other	$65,806	$0	$0	$0	$0	$0	$65,806		$65,806
70500 Total Tenant Revenue	$1,774,463	$84,273	$87,095	$0	$0	$0	$1,945,831	$0	$1,945,831
70600 HUD PHA Operating Grants	$5,124,758	$0	$0	$29,863	$6,206,118	$0	$11,360,739		$11,360,739
70610 Capital Grants	$863,543				$0	$0	$863,543		$863,543
70710 Management Fee						$792,522	$792,522	-$792,522	$0
70720 Asset Management Fee						$99,240	$99,240	-$99,240	$0
70730 Book Keeping Fee						$120,354	$120,354	-$120,354	$0
70740 Front Line Service Fee						$1,716,027	$1,716,027	-$1,716,027	$0
70750 Other Fees						$0	$0		$0
70700 Total Fee Revenue						$2,728,143	$2,728,143	-$2,728,143	$0
70800 Other Government Grants	$0	$0	$0	$0	$0	$0	$0		$0
71100 Investment Income - Unrestricted	$0	$0	$0	$0	$0	$0	$0		$0
71200 Mortgage Interest Income	$0	$0	$0	$0	$0	$0	$0		$0
71300 Proceeds from Disposition of Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0		$0
71310 Cost of Sale of Assets	$0	$0	$0	$0	$0	$0	$0		$0
71400 Fraud Recovery	$0	$0	$0	$0	$29,230	$0	$29,230		$29,230
71500 Other Revenue	$143,684	$1,191	$1,521	$0	$8,607	$1,570,492	$1,725,495		$1,725,495
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0	$0	$0	-$428	-$428		-$428
72000 Investment Income - Restricted	$0	$0	$0	$0	$0	$0	$0		$0
70000 Total Revenue	$7,906,448	$85,464	$88,616	$29,863	$6,243,955	$4,298,207	$18,652,553	-$2,728,143	$15,924,410
91100 Administrative Salaries	$265,984	$3,220	$12,739	$0	$147,152	$672,951	$1,102,046		$1,102,046
91200 Auditing Fees	$23,487	$0	$0	$0	$4,803	$1,500	$29,790		$29,790
91300 Management Fee	$688,691	$5,743	$12,039	$0	$86,049		$792,522	-$792,522	$0
91310 Book-keeping Fee	$72,549	$0	$0	$0	$47,805		$120,354	-$120,354	$0
91400 Advertising and Marketing	$0	$0	$0	$0	$0	$0	$0		$0
91500 Employee Benefit contributions - Administrative	$87,013	$1,089	$2,964	$0	$49,439	$223,686	$364,191		$364,191

91600 Office Expenses	$80,137	$0	$0	$0	$35,809	$50,497	$166,443		$166,443
91700 Legal Expense	$33,644	$1,245	$80	$0	$823	$18,937	$54,729		$54,729
91800 Travel	$7,220	$0	$0	$0	$0	$11,468	$18,688		$18,688
91810 Allocated Overhead	$0	$0	$0	$0	$0		$0		$0
91900 Other	$94,104	$3,681	$150	$0	$118,658	$101,341	$317,934	-$89,678	$228,256
91000 Total Operating - Administrative	$1,352,829	$14,978	$27,972	$0	$490,538	$1,080,380	$2,966,697	-$1,002,554	$1,964,143
92000 Asset Management Fee	$99,240	$0	$0	$0	$0		$99,240	-$99,240	$0
92100 Tenant Services - Salaries	$0	$0	$0	$22,286	$0	$0	$22,286		$22,286
92200 Relocation Costs	$0	$0	$0	$0	$0	$0	$0		$0
92300 Employee Benefit Contributions - Tenant Services	$0	$0	$0	$7,577	$0	$0	$7,577		$7,577
92400 Tenant Services - Other	$0	$0	$0	$0	$0	$0	$0		$0
92500 Total Tenant Services	$0	$0	$0	$29,863	$0	$0	$29,863	$0	$29,863
93100 Water	$210,599	$113	$1,068	$0	$0	$458	$212,238		$212,238
93200 Electricity	$506,057	$455	$2,616	$0	$0	$9,983	$519,111		$519,111
93300 Gas	$83,508	$34	$1,277	$0	$0	$0	$84,819		$84,819
93400 Fuel	$0	$0	$0	$0	$0	$0	$0		$0
93500 Labor	$0	$0	$0	$0	$0	$0	$0		$0
93600 Sewer	$267,314	$84	$1,955	$0	$0	$645	$269,998		$269,998
93700 Employee Benefit Contributions - Utilities	$0	$0	$0	$0	$0	$0	$0		$0
93800 Other Utilities Expense	$97,911	$133	$2,586	$0	$0	$1,648	$102,278		$102,278
93000 Total Utilities	$1,165,389	$819	$9,502	$0	$0	$12,734	$1,188,444	$0	$1,188,444
94100 Ordinary Maintenance and Operations - Labor	$127,262	$0	$1,628	$0	$0	$678,299	$807,189		$807,189
94200 Ordinary Maintenance and Operations - Materials and Other	$505,396	$1,629	$0	$0	$0	$22,156	$529,181		$529,181
94300 Ordinary Maintenance and Operations Contracts	$2,389,684	$39,202	$41,940	$0	$0	$46,807	$2,517,633	-$1,626,349	$891,284
94500 Employee Benefit Contributions - Ordinary Maintenance	$41,544	$0	$1,447	$0	$0	$225,463	$268,454		$268,454
94000 Total Maintenance	$3,063,886	$40,831	$45,015	$0	$0	$972,725	$4,122,457	-$1,626,349	$2,496,108
95100 Protective Services - Labor	$0	$0	$0	$0	$0	$0	$0		$0
95200 Protective Services - Other Contract Costs	$50,000	$0	$0	$0	$0	$0	$50,000		$50,000
95300 Protective Services - Other	$0	$0	$0	$0	$0	$0	$0		$0
95500 Employee Benefit Contributions - Protective Services	$0	$0	$0	$0	$0	$0	$0		$0
95000 Total Protective Services	$50,000	$0	$0	$0	$0	$0	$50,000	$0	$50,000
96110 Property Insurance	$175,386	$3,525	$2,952	$0	$0	$3,113	$184,976	-	$184,976
96120 Liability Insurance	$42,940	$632	$1,039	$0	$15,578	$40,976	$101,165		$101,165

96130 Workmen's Compensation	$9,358	$0	$0	$0	$4,254	$28,926	$42,538		$42,538
96140 All Other Insurance	$8,898	$0	$0	$0	$0	$0	$8,898		$8,898
96100 Total insurance Premiums	$236,582	$4,157	$3,991	$0	$19,832	$73,015	$337,577	$0	$337,577
96200 Other General Expenses	$50,486	$13,770	$0	$0	$49,016	$897	$114,169		$114,169
96210 Compensated Absences	$15,947	$0	$835	$0	$9,304	$70,377	$96,463		$96,463
96300 Payments in Lieu of Taxes	$73,672	$0	$0	$0	$0	$0	$73,672		$73,672
96400 Bad debt - Tenant Rents	$59,082	$0	$2,075	$0	$0	$0	$61,157		$61,157
96500 Bad debt - Mortgages	$0	$0	$0	$0	$0	$0	$0		$0
96600 Bad debt - Other	$0	$0	$0	$0	$0	$0	$0		$0
96800 Severance Expense	$0	$0	$0	$0	$0	$0	$0		$0
96000 Total Other General Expenses	$199,187	$13,770	$2,910	$0	$58,320	$71,274	$345,461	$0	$345,461
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0	$0	$0	$0	$0		$0
96720 Interest on Notes Payable (Short and Long Term)	$21,116	$0	$0	$0	$0	$0	$21,116		$21,116
96730 Amortization of Bond Issue Costs	$0	$0	$0	$0	$0	$0	$0		$0
96700 Total Interest Expense and Amortization Cost	$21,116	$0	$0	$0	$0	$0	$21,116	$0	$21,116
96900 Total Operating Expenses	$6,188,229	$74,555	$89,390	$29,863	$568,690	$2,210,128	$9,160,855	-$2,728,143	$6,432,712
97000 Excess of Operating Revenue over Operating Expenses	$1,718,219	$10,909	-$774	$0	$5,675,265	$2,088,079	$9,491,698	$0	$9,491,698
97100 Extraordinary Maintenance	$223,965	$0	$0	$0	$0	$185,716	$409,681		$409,681
97200 Casualty Losses - Non-capitalized	$129,921	$0	$0	$0	$0	$2,697	$132,618		$132,618
97300 Housing Assistance Payments	$0	$0	$0	$0	$5,900,251	$0	$5,900,251		$5,900,251
97350 HAP Portability-In	$0	$0	$0	$0	$1,971	$0	$1,971		$1,971
97400 Depreciation Expense	$1,551,848	$29,918	$0	$0	$0	$75,484	$1,657,250		$1,657,250
97500 Fraud Losses	$0	$0	$0	$0	$0	$0	$0		$0
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense	$0	$0	$0	$0	$0	$0	$0		$0
90000 Total Expenses	$8,093,963	$104,473	$89,390	$29,863	$6,470,912	$2,474,025	$17,262,626	-$2,728,143	$14,534,483
10010 Operating Transfer In	$235,476	$0	$0	$0	$0	$0	$235,476	-$235,476	$0
10020 Operating transfer Out	-$235,476	$0	$0	$0	$0	$0	-$235,476	$235,476	$0
10030 Operating Transfers from/to Primary Government	$0	$0	$0	$0	$0	$0	$0		$0
10040 Operating Transfers from/to Component Unit	$0	$2,000,000	$0	$0	$0	-$2,000,000	$0		$0
10050 Proceeds from Notes, Loans and Bonds									

10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss	$0	$0	$0	$0	$0	$0	$0		$0
10080 Special Items (Net Gain/Loss)	$0	$0	$0	$0	$0	$0	$0		$0
10091 Inter Project Excess Cash Transfer In	$150,000						$150,000	-$150,000	$0
10092 Inter Project Excess Cash Transfer Out	-$150,000						-$150,000	$150,000	$0
10093 Transfers between Program and Project - In	$0	$0	$0	$0	$0	$0	$0		$0
10094 Transfers between Project and Program - Out	$0	$0	$0	$0	$0	$0	$0		$0
10100 Total Other financing Sources (Uses)	$0	$2,000,000	$0	$0	$0	-$2,000,000	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$187,515	$1,980,991	-$774	$0	-$226,957	-$175,818	$1,389,927	$0	$1,389,927
11020 Required Annual Debt Principal Payments	$274,624	$0	$0	$0	$0	$0	$274,624		$274,624
11030 Beginning Equity	$17,449,798	$5,618,397	-$20,720	$0	$372,053	$2,082,172	$25,501,700		$25,501,700
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0	$0		$0
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity					$84,670		$84,670		$84,670
11180 Housing Assistance Payments Equity					$60,426		$60,426		$60,426
11190 Unit Months Available	9892	93	216	0	9561	0	19762		19762
11210 Number of Unit Months Leased	9673	91	191	0	9561	0	19516		19516
11270 Excess Cash	$2,104,249						$2,104,249		$2,104,249
11610 Land Purchases	$0					$0	$0		$0
11620 Building Purchases	$863,543					$0	$863,543		$863,543
11630 Furniture & Equipment - Dwelling Purchases	$0					$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0					$0	$0		$0
11650 Leasehold Improvements Purchases	$0					$0	$0		$0
11660 Infrastructure Purchases	$0					$0	$0		$0
13510 CFFP Debt Service Payments	$0					$0	$0		$0
13901 Replacement Housing Factor Funds	$0					$0	$0		$0

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS
JUNE 30, 2018

PROGRAM	**CFP 501-13**	**CFP 501-14**
Funds approved	$ 1,141,077	$ 1,187,971
Funds expended	1,141,077	1,187,971
Excess of funds approved	**$ -**	**$ -**
Funds advanced	$ 1,141,077	$ 1,187,971
Funds expended	1,141,077	1,187,971
Excess of funds advanced	**$ -**	**$ -**

The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor:

CFDA Number	Program Title	Pass Through Entity	Federal Expenditures
U.S. Department of Housing and Urban Development			
14.877	Public Housing FSS Under ROSS	NA	$ 29,863
14.850	Low Rent Public Housing	NA	4,809,369
14.872	Capital Fund Program	NA	1,178,932
	Housing Choice Voucher Cluster		
14.871	Housing Choice Voucher Program	NA	6,206,118
14.871	Housing Choice Voucher-Pass thru	Other PHA's	1,971
	Total Housing Choice Voucher Cluster		**6,208,089**
Total U.S. Department of HUD			**12,226,253**
Total Federal Awards Expenditures			**$ 12,226,253**

Notes to the Schedule of Expenditures of Federal Awards

A. Basis of Accounting

This schedule is prepared on the accrual basis of accounting.

B. Basis of Presentation

The accompanying Schedule of Federal Awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Title 2 CFR, Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards". Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

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

FDS line 706	HUD PHA Grants	$ 11,360,739
FDS line 706.1	Capital Grants	863,543
FDS line 715	HCVP other income	1,971
		$ 12,226,253

SINGLE AUDIT SECTION

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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
Housing Authority of the City of Fort Pierce
Fort Pierce, Florida

HUD, Miami Area Office
Office of Public Housing
909 S. E. First Avenue, Room 500
Miami, Florida 33131

We have audited, 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, the basic financial statements of Housing Authority of the City of Fort Pierce ("the Authority"), which include the statement of net position as of June 30, 2018, and the related statements of revenue, expenses and changes in net position, cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon February 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

We noted certain matters that we reported to management of the Authority in a separate letter dated February 1, 2019.

Purpose of this Report

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

Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
February 1, 2019

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

Board of Commissioners
Housing Authority of the City of Fort Pierce
Fort Pierce, Florida

HUD, Miami Area Office
Office of Public Housing
909 S. E. First Avenue, Room 500
Miami, Florida 33131

Report on Compliance for Each Major Program
We have audited Housing Authority of the City of Fort Pierce'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 June 30, 2018. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts and grants 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 Title 2 U.S. *Code of Federal Regulations (CFR)* 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 compliance requirements referred to above that could have a 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 program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Program
In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 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 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 requirements 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 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 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 the 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, as defined above. 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 our testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
February 1, 2019

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Basic Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major programs:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)?	No

Identification of major programs:

CFDA Number	Name of Federal Program
14.871	Housing Choice Voucher Program

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018
(Continued)

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

There were no Basic Financial Statement Findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings.

HOUSING AUTHORITY OF THE CITY OF FORT PIERCE
Fort Pierce, Florida

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2018

There were no Prior Audit Findings.