

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED SEPTEMBER 30, 2017

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of East Point
East Point, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of East Point as of and for the year ended September 30, 2017, and the related notes to the 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 design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 as of September 30, 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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 for Federal Awards*, and is also not a required part of the basic financial statements.

The Financial Data Schedule and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such 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 data 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018 on our consideration of the Authority's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
June 22, 2018

**INDEPENDENT AUDITORS' 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 East Point
East Point, Georgia

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 Authority, as of and for the year ended September 30, 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 22, 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 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 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.

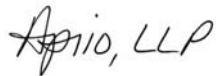
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, slightly stylized font.

Birmingham, Alabama
June 22, 2018

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

Board of Commissioners
Housing Authority of the City of East Point
East Point, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2017. The Authority's major federal program is identified in the Summary of Auditors' 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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program 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 of Federal Awards (Uniform Guidance)*. Those standards and 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 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 the major federal program. However, our audit does not provide a legal determination of 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 its major federal program for the year ended September 30, 2017.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with *Uniform Guidance*.

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 the major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 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 preceding paragraph 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 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 our testing based on the requirements of *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Birmingham, Alabama
June 22, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
SEPTEMBER 30, 2017

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, The Housing Authority of the City of East Point, Georgia (the Authority) is providing this Management's Discussion and Analysis (MD&A) report. This MD&A should be considered in conjunction with the Financial Data Schedule for the Authority for the fiscal year ending September 30, 2017. The Authority's MD&A is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity and (c) identify changes in the Authority's financial position.

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.

The Authority consists of a stand-alone Enterprise Fund which utilizes the full accrual basis of accounting and is similar to accounting utilized by the private sector. Within the Enterprise Fund, the Authority maintains several distinct programs.

FINANCIAL HIGHLIGHTS

- The Authority's year end Net Position increased by \$1,246,608 during 2017. Net Position was \$8,136,707 and \$9,383,315 for 2016 and 2017, respectively.
- The Authority's Revenue increased by \$1,870,273 during 2017. Total revenues were \$8,344,478 and \$10,214,751 for 2016 and 2017 respectively.
- The Authority's Expenses increased by \$173,289 during 2017. Total expenses were \$8,794,854 and \$8,968,143 for 2016 and 2017, 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.” The following graphic outlines the format of the Annual Report:

MD&A

~ *MANAGEMENT DISCUSSION
AND ANALYSIS* ~

BASIC FINANCIAL STATEMENTS

~ *AUTHORITY-WIDE FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS* ~

OTHER REQUIRED SUPPLEMENTARY INFORMATION

~ *REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)* ~

The primary focus of the Authority’s financial statements is on the Authority as a whole (Authority-wide).

Authority-Wide Financial Statements

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, equal “Net Position”, formerly known as equity. 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 is 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 does not meet the definition of “Net Investment in Capital Assets, 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, 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 Fund 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, from capital and related financing activities and from investing activities.

THE AUTHORITY'S PROGRAMS

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 funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

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 an 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.

Capital Program – This program includes the Capital Fund Program and Development Program funds. The Authority receives funding to rehabilitate and repair existing housing stock and to develop new housing. The Capital Program operates under annual grants from the Department of Housing and Urban Development. These grants are formula based and not competitive awards. The Capital Program is the primary funding source for physical and management improvements to the Authority's properties.

Business Activities – This includes a myriad of partnerships created with outside investors designed to take advantage of tax credit regulations. These partnerships allowed the Authority to undertake major rehabilitation and total rebuilding projects, that otherwise would not have been possible, due to limited funding.

Other Program – In addition to the significant programs above, the Board also maintains the following program:

- Resident Opportunity and Supportive Services Program

AUTHORITY-WIDE STATEMENTS

The following table reflects the Statement of Net Position compared to the prior year.

**TABLE 1
STATEMENT OF NET POSITION**

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Assets:			
Current & Restricted Assets	\$ 4,892,500	\$ 3,457,320	\$ 1,435,180
Capital Assets	4,743,876	4,902,048	(158,172)
Deferred Outflows	-	-	-
Total Assets & Deferred Outflows	<u>\$ 9,636,376</u>	<u>\$ 8,359,368</u>	<u>\$ 1,277,008</u>
Liabilities:			
Current Liabilities	\$ 121,760	\$ 129,972	\$ (8,212)
Non Current Liabilities	131,301	92,689	38,612
Deferred Inflows	-	-	-
Total Liabilities & Deferred Inflows	<u>\$ 253,061</u>	<u>\$ 222,661</u>	<u>\$ 30,400</u>
Net Position:			
Net Investment in Capital Assets	\$ 4,743,876	\$ 4,902,048	\$ (158,172)
Restricted Net Position	1,585,628	1,482,360	103,268
Unrestricted Net Position	3,053,811	1,752,299	1,301,512
Total Net Position	<u>\$ 9,383,315</u>	<u>\$ 8,136,707</u>	<u>\$ 1,246,608</u>

For more detailed information see pages 16 - 17 on the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Current and restricted assets increased \$1,435,180 due primarily to increases in cash and receivables.

Capital assets decreased \$158,172 due to depreciation expense exceeding capital additions during the current fiscal year.

Restricted net position increased \$103,268 due to an increase in cash restricted in the section 8 housing choice voucher program.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2
CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, September 30, 2016	\$1,752,299
Results of Operations	958,244
Interest Income	4,481
Depreciation Expense	442,055
Transfer from (to) Restricted Net Position	<u>(103,268)</u>
Unrestricted Net Position, September 30, 2017	<u><u>\$3,053,811</u></u>

While the result of operations is 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.

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.

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 193,456	\$ 133,462	\$ 59,994
Operating Grants	5,776,277	5,148,818	627,459
Capital Grants Received	283,883	256,077	27,806
Investment Income	4,481	4,450	31
Other Revenue	<u>3,956,654</u>	<u>2,801,671</u>	<u>1,154,983</u>
Total Revenues	<u>10,214,751</u>	<u>8,344,478</u>	<u>1,870,273</u>
Expenses:			
Administrative Expenses	1,351,294	1,615,963	(264,669)
Tenant Services	16,349	17,980	(1,631)
Utilities	63,210	61,652	1,558
Maintenance & Operations	475,707	433,494	42,213
General Expense	161,685	185,660	(23,975)
Housing Assistance Payments	6,457,843	6,050,337	407,506
Depreciation	<u>442,055</u>	<u>429,768</u>	<u>12,287</u>
Total Expenses	<u>8,968,143</u>	<u>8,794,854</u>	<u>173,289</u>
Excess (Deficiency) Revenues Over Expenses	<u>\$ 1,246,608</u>	<u>\$ (450,376)</u>	<u>\$ 1,696,984</u>

REVENUES

Revenues increased primarily due to an increase in operating grants received and an increase in other revenue. Operating grants received increased due to an increase in Section 8 HAP payments. HAP payments received increased due to an increase in units leased during the current year. Other Revenue increased primarily due to an increase in A/R – Legal Settlement.

EXPENSES

Expenses increased primarily due to increases in housing assistance payments offset by decreases in administrative expenses. Administrative expenses decreased due to a decrease in salaries and benefits. HAP payments increased due to an increase in units leased during the current year and a decrease in tenant income.

CAPITAL ASSETS

Capital Assets

As of September 30, 2017, the Authority had \$4,743,876 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions, and depreciation) of \$158,172 from September 30, 2016.

**TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION AND AMORTIZATION)**

	2017	2016	Variance	% Change
Land	\$ 412,947	\$ 412,947	\$ -	0%
Buildings & Improvements	13,049,413	12,761,464	287,949	2%
Furniture & Equipment	553,872	553,872	-	0%
Construction in Process	1,084,088	1,088,154	(4,066)	0%
Accumulated Depreciation	<u>(10,356,444)</u>	<u>(9,914,389)</u>	<u>(442,055)</u>	<u>4%</u>
Net Capital Assets	<u>\$ 4,743,876</u>	<u>\$ 4,902,048</u>	<u>\$ (158,172)</u>	<u>-3%</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 25 of the Notes to Financial Statements.

Beginning Balance, October 1, 2016	\$ 4,902,048
Additions:	
Capital Fund Program - Improvements	283,883
Depreciation Expense	<u>(442,055)</u>
Ending Balance, September 30, 2017	<u>\$ 4,743,876</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development by the U.S. Congress.
- 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.

The individual to be contacted regarding this report is Michael Spann, Executive Director, The Housing Authority of the City of East Point, at (404) 768-0078. Specific requests may be submitted to the Housing Authority of the City of East Point, P.O. Box 91363, East Point, Georgia 30364.

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 2,027,232
Accounts Receivable - Other	1,118,983
Tenants Accounts Receivable	7,932
Prepaid Expenses	16,649
Inventories	25,903
Total Current Assets	<u>3,196,699</u>
<u>Restricted Assets</u>	
Inventory Held for Resale	1,054,476
Cash and Cash Equivalents	641,325
Total Restricted Assets	<u>1,695,801</u>
<u>Capital Assets</u>	
Land	412,947
Buildings & Improvements	13,049,413
Furniture & Equipment	553,872
Construction in Progress	1,084,088
	<u>15,100,320</u>
(Less): Accumulated Depreciation	<u>(10,356,444)</u>
Net Capital Assets	<u>4,743,876</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,636,376</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2017

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 44,221
Accrued Wages and Payroll Taxes	13,872
Accrued Compensated Absences	2,382
Accounts Payable - Other Government	16,231
Tenant Security Deposits	24,928
Other Current Liabilities	20,126
Total Current Liabilities	<u>121,760</u>
<u>Long-Term Liabilities</u>	
Accrued Compensated Absences	\$ 21,128
Non-Current Liabilities - Other	110,173
Total Long Term Liabilities	<u>131,301</u>
Total Liabilities	<u>253,061</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net Investment in Capital Assets	4,743,876
Restricted Net Position	1,585,628
Unrestricted Net Position	3,053,811
Total Net Position	<u>9,383,315</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,636,376</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 193,456
Operating Grants	5,776,277
Other Income	2,983,955
Total Operating Revenues	<u>8,953,688</u>
<u>Operating Expenses</u>	
Administrative	1,351,294
Tenant Services	16,349
Utilities	63,210
Maintenance and Operations	475,707
General Expense	161,685
Housing Assistance Payments	6,457,843
Depreciation	442,055
Total Operating Expenses	<u>8,968,143</u>
Operating Income (Loss)	<u>(14,455)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	4,481
Recognition of Legal Settlement	972,699
Total Non-Operating Revenues/(Expenses)	<u>977,180</u>
Increase (Decrease) before Capital Contributions	<u>962,725</u>
Capital Contributions	<u>283,883</u>
Increase (Decrease) in Net Position	1,246,608
Net Position, Beginning	8,136,707
Net Position, Ending	<u>\$ 9,383,315</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER, 2017

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 179,788
Cash Received from Operating Grants	5,814,630
Cash Received from Other Sources	3,086,774
Cash Payments for Salaries & Benefits	(800,936)
Cash Payments to Vendors & Landlords	(7,684,258)
Net cash provided (used) by operating activities	<u>595,998</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	344,248
Capital Outlay	(283,883)
Net cash provided (used) by capital and related financing activities	<u>60,365</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	4,481
Net cash provided (used) by investing activities	<u>4,481</u>
Net increase (decrease) in cash and cash equivalents	660,844
Total cash and cash equivalents, beginning of year	<u>2,007,713</u>
Total cash and cash equivalents, end of year	<u>\$ 2,668,557</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (14,455)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	442,055
Bad Debt Expense	15,105
Change in Tenants Accounts Receivable	(13,668)
Change in Other Accounts Receivable	140,082
Change in Prepaid Costs	11,740
Change in Inventory	(15,261)
Change in Accounts Payable	(459)
Change in Accrued Expenses	(8,402)
Change in Other Liabilities	38,171
Change in Tenant Security Deposits	1,090
Net cash provided (used) by operating activities	<u>\$ 595,998</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements.

Cash and Cash Equivalents

The Housing Authority considers cash on hand and cash in checking to be cash equivalents.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Tenant accounts receivable are immaterial for further disclosures. Accounts Receivable - Other consists of amounts due from HUD for Grant Income, Federal government for legal settlement and other housing authorities for Section 8 Housing Choice Vouchers ported in.

Prepaid Items

Prepaid Items consists of payments made to vendors for services that will benefit future periods.

Inventory

Inventories consist of materials and supplies that have not been used or consumed. Inventory is valued at cost and recorded as an expense when it is consumed.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

Capital Assets

Capital Assets are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of revenues and expenses. Estimated useful lives are as follows:

Buildings	30 years
Improvements	10 years
Furniture and equipment	5 - 10 years

Authority management has assessed the carrying values of capital asset balances as of September 30, 2017, and as of June 22, 2018. No significant capital asset value impairments exist as of the noted dates.

Inventory Held for Resale

Inventory held for resale is carried on the statement of net position at the lower of cost or resale market value.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

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 Governmental Accounting Standards Board (GASB) No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on the primary organization, and financial accountability as a result of fiscal dependency. Based upon the application of these criteria, the reporting entity includes the following blended and discretely presented component units:

Norman Berry Village, LLC is a Georgia not for profit Corporation under Section 115 of the Internal Revenue Code of 1986 and is exempt from all Federal income tax. The Corporation is organized and is operated exclusively as a subsidiary of The Housing Authority of the City of East Point, Georgia. Norman Berry Village, LLC was developed for the purpose of building low-income housing. The Corporation has the same Board of Commissioners as the Authority. Therefore, it is presented as a blended component unit in the business activities column. There are no other component units.

NOTE C - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk – The Authority’s policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Authority’s formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other Federally insured investments.

The Housing Authority’s cash and cash equivalents consist of cash held in six interest and non-interest bearing checking accounts totaling \$2,668,557. Deposits with financial institutions are secured as follows:

	<u>Reconciled Book Balance</u>	<u>Deposit in Bank</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities in the Authority name which are held by the financial institution	2,418,557	2,461,819
Uncollateralized	-	-
	<u>\$ 2,668,557</u>	<u>\$ 2,711,819</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of September 30, 2017 as follows:

<u>Type Commitment</u>	<u>Amount</u>
None of significance	

NOTE E – CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE F – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

NOTE G – USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

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, liabilities and deferred outflows and inflows, revenues and expenses in the financial statements. Accordingly, actual results could differ from those estimates.

NOTE H – COMPENSATED ABSENCES

It is the Housing Authority's policy to permit employees to accumulate a limited amount of earned but unused annual leave. Employees receive annual hours based on the number years of service. Upon separation from employment, an employee shall be paid for all allowable accumulated annual leave, as of their final date of employment. Leave accrued but not yet paid as of the end of the fiscal year, is shown as a liability allocated between current and non-current.

NOTE I - PENSION PLAN

The Authority provides retirement benefits for all of its full-time employees through a defined contribution plan, which is administered by an outside trustee, Life Associates Inc. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 13.7% of all eligible employees' salary, excluding overtime, to the plan. Contributions and allocated investment earnings are fully vested after five years of continuous service. During 2017, the Authority made the required contributions in the amount of \$101,411, and there were no unpaid pension liabilities outstanding at September 30, 2017.

The Authority does not provide any other post-employment benefit plans.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – ACCOUNTS RECEIVABLE - OTHER

Accounts Receivable Other consists of the following:

Accounts Receivable - HUD Grants	\$ 139,974
Accounts Receivable - Legal Settlement	972,699
Accounts Receivable - Fairburn Housing	948
Accounts Receivable - Ports	<u>5,362</u>
Total Accounts Receivable - Miscellaneous	<u>\$ 1,118,983</u>

NOTE K – OTHER CURRENT LIABILITIES

Other Current Liabilities consists of the following:

Accrued Audit Fees	\$ 17,000
Accrued Utilities	<u>3,126</u>
Total Other Current Liabilities	<u>\$ 20,126</u>

NOTE L – LONG TERM LIABILITIES

A summary of long term liabilities is as follows at September 30, 2017:

	<u>Balance</u> <u>09/30/16</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>09/30/17</u>	<u>Due Within</u> <u>One Year</u>
Accrued Compensated Absence:	\$ 22,984	\$30,215	\$ 29,689	\$ 23,510	\$ 2,382
FSS Escrows	<u>72,002</u>	<u>38,171</u>	<u>-</u>	<u>110,173</u>	<u>-</u>
Total Long Term Liabilities	<u>\$ 94,986</u>	<u>\$ 68,386</u>	<u>\$ 29,689</u>	<u>\$ 133,683</u>	<u>\$ 2,382</u>

NOTE M – RESTRICTED ASSETS

Restricted Assets consists of the following:

Cash Restricted for HAP	\$ 146,547
Cash Restricted for Affordable Housing Development	384,605
FSS Escrows	110,173
Inventory Held for Resale	<u>1,054,476</u>
	<u>\$ 1,695,801</u>

NOTE N – RESTRICTED NET POSITION

Restricted Net Position consists of the following:

Cash Restricted for HAP	\$ 146,547
Cash Restricted for Affordable Housing Development	384,605
Inventory Held for Resale	<u>1,054,476</u>
	<u>\$ 1,585,628</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – CAPITAL ASSETS

A summary of capital assets at September 30, 2017 is as follows:

	<u>LOW RENT</u>	<u>SECTION 8</u>	<u>BUSINESS ACTIVITIES</u>	<u>TOTAL</u>
Land	\$ 307,353	\$ -	\$ 105,594	\$ 412,947
Building and Improvements	12,915,922	133,491	-	13,049,413
Furniture, Fixtures and Equipment	387,209	93,507	73,156	553,872
Construction in Process	1,084,088	-	-	1,084,088
Less Accumulated Depreciation	<u>(10,084,220)</u>	<u>(226,998)</u>	<u>(45,226)</u>	<u>(10,356,444)</u>
Total Property and Equipment	<u>\$ 4,610,352</u>	<u>\$ -</u>	<u>\$ 133,524</u>	<u>\$ 4,743,876</u>

	<u>October 1, 2016 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2017 Balance</u>
Land	\$ 412,947	\$ -	\$ -	\$ 412,947
Construction in Process	<u>1,088,154</u>	<u>283,883</u>	<u>(287,949)</u>	<u>1,084,088</u>
Total Assets not being depreciated	1,501,101	283,883	(287,949)	1,497,035
Buildings and Improvements	12,761,464	-	287,949	13,049,413
Furniture and Equipment	<u>553,872</u>	<u>-</u>	<u>-</u>	<u>553,872</u>
Total Property and Equipment	14,816,437	283,883	-	15,100,320
Less Accumulated Depreciation				
Building and Improvements	(9,531,353)	(378,311)	-	(9,909,664)
Furniture and Equipment	<u>(383,036)</u>	<u>(63,744)</u>	<u>-</u>	<u>(446,780)</u>
Net Book Value	<u>\$ 4,902,048</u>	<u>\$ (158,172)</u>	<u>\$ -</u>	<u>\$ 4,743,876</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE Q – PILOT AGREEMENT

The Authority has entered into a Payment In lieu of Taxes Agreement with the City of East Point, Georgia, whereby the Authority agrees to pay a negotiated sum in lieu of city real property taxes. As of September 30, 2017, \$12,404 remains outstanding respectively.

NOTE R - RELATED PARTY TRANSACTIONS

The Housing Authority of the City of East Point, Georgia operates as a managing agent for The Housing Authority of the City of Fairburn, Georgia and performs rental, administrative and accounting services for the Project. For the services, the Authority collects a management fee of \$75 per unit month. In the year ending December 31, 2017, the Housing Authority of the City of East Point was paid \$25,200 in management fees.

NOTE S – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through June 22, 2018 the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTE T – LEGAL SETTLEMENT WITH FEDERAL GOVERNMENT

In June of 2017, the Authority was awarded \$972,699 by the United States Court of Federal Claims, from the federal government for recapturing funding reserves held by the Authority in prior years. In August of 2017, the federal government elected not to appeal the judgement, thereby settling the amount of the claim. The Authority anticipates receipt of the awarded funds during fiscal year 2018.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE U – CONDENSED BLENDED COMPONENT UNIT FINANCIAL STATEMENTS

The Authority includes one blended component unit in its reporting entity. Condensed component unit financial statements as of, and for the year ended September 30, 2017, for the blended component unit are as follows:

Condensed Blended Component Unit - Statement of Net Position

	Norman Berry Village, LLC 9/30/2017
Assets	
Current assets	\$ 2,027,616
Capital assets	133,524
Deferred Outflows	-
Total assets & deferred outflows	<u>\$ 2,161,140</u>
Liabilities	
Current liabilities	\$ -
Non-current liabilities due	-
Deferred Inflows	-
Total liabilities & deferred inflows	<u>-</u>
Net position	
Net Investment in capital assets	133,524
Restricted net position	-
Unrestricted net position	2,027,616
Total net position	<u><u>\$ 2,161,140</u></u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE U – CONDENSED BLENDED COMPONENT UNIT FINANCIAL STATEMENTS – CONTINUED

Condensed Blended Component Unit - Statement of
Revenues, Expenses and Changes in Net Position

	Norman Berry Village, LLC 9/30/2017
Operating Revenues	
Other Revenue	<u>\$ 1,085,371</u>
Total operating revenues	<u>1,085,371</u>
Operating Expenses	
Administrative and general expenses	47,726
Maintenance and utilities	112
Depreciation	<u>14,631</u>
Total operating expenses	<u>62,469</u>
Operating Income(Loss)	<u>1,022,902</u>
Non-Operating Revenues (Expenses)	
Investment Income	<u>2,169</u>
Total Non-Operating Revenues (Expenses)	<u>2,169</u>
Increase (decrease) in net position	1,025,071
Beginning net position	<u>1,136,069</u>
Ending net position	<u><u>\$ 2,161,140</u></u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE U – CONDENSED BLENDED COMPONENT UNIT FINANCIAL STATEMENTS – CONTINUED

Condensed Blended Component Unit - Statement of Cash Flows

	Norman Berry Village, LLC 9/30/2017
Cash flows from (used by)	
operating activities	\$ 157,391
Cash flows from (used by)	
Capital and financing activities	-
Cash flows from (used by)	
investing activities	<u>2,169</u>
Net increase in cash and equivalents	159,560
Beginning current and restricted cash	<u>876,245</u>
Ending current and restricted cash	<u><u>\$ 1,035,805</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 1,022,902
Depreciation	14,631
Change in other operating activities	<u>(880,142)</u>
Net cash provided (used) by operating activities	<u><u>\$ 157,391</u></u>

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2017

EXPENDITURES

Public and Indian Housing Total CFDA Number 14.850	<u>\$ 1,258,860</u>
Section 8 Housing Choice Vouchers Total CFDA Number 14.871	<u>4,301,268</u>
Public Housing Capital Fund Program Total CFDA Number 14.872	<u>434,468</u>
Resident Opportunity and Supportive Services Total CFDA Number 14.870	<u>65,564</u>
TOTAL HUD EXPENDITURES	<u>6,060,160</u>
TOTAL FEDERAL EXPENDITURES	<u><u>\$ 6,060,160</u></u>

Basis of Presentation:

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 for Federal Awards*.

The Authority did not elect to use the 10% *De Minimus Indirect Cost Rate*.

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]
 FINANCIAL DATA SCHEDULE
 SEPTEMBER 30, 2017

	PUBLIC AND INDIAN HOUSING 14.850	PUBLIC HOUSING CAPITAL FUND 14.872	SECTION 8 HCV 14.871	ROSS 14.870	BUSINESS ACTIVITIES	ELIMINATION	TOTAL	
ASSETS								
CURRENT ASSETS								
CASH								
111	CASH - UNRESTRICTED	474,020	-	492,479	-	1,035,805	-	2,002,304
115	CASH - RESTRICTED FOR PYMT OF CURRENT DEBT	-	-	-	-	-	-	-
112	CASH - RESTRICTED - MODERNIZATION	-	-	-	-	-	-	-
113	CASH - OTHER RESTRICTED	443,225	-	198,100	-	-	-	641,325
114	CASH - TENANT SECURITY DEPOSITS	24,928	-	-	-	-	-	24,928
100	TOTAL CASH	942,173	-	690,579	-	1,035,805	-	2,668,557
ACCOUNTS AND NOTES RECEIVABLE								
121	A/R - PHA PROJECTS	-	-	-	-	-	-	-
122	A/R - HUD OTHER PROJECTS	121,810	-	-	18,164	-	-	139,974
124	A/R - OTHER GOVERNMENT	-	-	5,362	-	973,647	-	979,009
125	A/R - MISCELLANEOUS	-	-	-	-	-	-	-
126	A/R - TENANTS	7,932	-	-	-	-	-	7,932
126.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS	-	-	-	-	-	-	-
126.2	ALLOWANCE FOR DOUBTFUL ACCOUNTS - OTHER	-	-	-	-	-	-	-
127	NOTES & MORTGAGES RECEIVABLE - CURRENT	-	-	-	-	-	-	-
128	FRAUD RECOVERY	-	-	-	-	-	-	-
128.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - FRAUD	-	-	-	-	-	-	-
129	ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-
120	TOTAL RECEIVABLES, NET OF ALLOWANCES	129,742	-	5,362	18,164	973,647	-	1,126,915
CURRENT INVESTMENTS								
131	INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-
132	INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-
135	INVESTMENTS - RESTRICTED FOR PYMT OF CURRENT DEBT	-	-	-	-	-	-	-
142	PREPAID EXPENSES AND OTHER ASSETS	10,040	-	6,609	-	-	-	16,649
143	INVENTORIES	31,024	-	-	-	-	-	31,024
143.1	ALLOWANCE FOR OBSOLETE INVENTORIES	(5,121)	-	-	-	-	-	(5,121)
144	INTER PROGRAM DUE FROM	-	-	-	-	18,164	(18,164)	-
145	ASSETS HELD FOR SALE	1,054,476	-	-	-	-	-	1,054,476
150	TOTAL CURRENT ASSETS	2,162,334	-	702,550	18,164	2,027,616	(18,164)	4,892,500
NONCURRENT ASSETS								
CAPITAL ASSETS								
161	LAND	307,353	-	-	-	105,594	-	412,947
162	BUILDINGS	5,458,998	-	133,491	-	-	-	5,592,489
163	FURNITURE & EQUIPMENT - DWELLINGS	127,885	-	-	-	-	-	127,885
164	FURNITURE & EQUIPMENT - ADMINISTRATION	259,324	-	93,507	-	73,156	-	425,987
165	LEASEHOLD IMPROVEMENTS	7,456,924	-	-	-	-	-	7,456,924
167	CONSTRUCTION IN PROGRESS	1,084,088	-	-	-	-	-	1,084,088
168	INFRASTRUCTURE	-	-	-	-	-	-	-
166	ACCUMULATED DEPRECIATION	(10,084,220)	-	(226,998)	-	(45,226)	-	(10,356,444)
160	TOTAL CAPITAL ASSETS, NET OF DEPRECIATION	4,610,352	-	-	-	133,524	-	4,743,876
171	NOTES & MORTGAGES RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-
172	NOTES & MORTGAGES RECEIVABLE - NONCURRENT - PAST DUE	-	-	-	-	-	-	-
173	GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-
174	OTHER ASSETS	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]
 FINANCIAL DATA SCHEDULE
 SEPTEMBER 30, 2017

	PUBLIC AND INDIAN HOUSING 14.850	PUBLIC HOUSING CAPITAL FUND 14.872	SECTION 8 HCV 14.871	ROSS 14.870	BUSINESS ACTIVITIES	ELIMINATION	TOTAL	
176	INVESTMENTS IN JOINT VENTURES	-	-	-	-	-	-	
180	TOTAL NONCURRENT ASSETS	4,610,352	-	-	133,524	-	4,743,876	
200	DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	6,772,686	-	702,550	18,164	2,161,140	(18,164)	9,636,376
	LIABILITIES AND EQUITY							
	CURRENT LIABILITIES							
311	BANK OVERDRAFT	-	-	-	-	-	-	
312	A/P <= 90 DAYS	32,876	-	11,345	-	-	44,221	
313	A/P > 90 DAYS PAST DUE	-	-	-	-	-	-	
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	7,854	-	6,018	-	-	13,872	
322	ACCRUED COMPENSATED ABSENCES - CURRENT	1,234	-	1,148	-	-	2,382	
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	
325	ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	
331	A/P - HUD PHA PROGRAMS	-	-	-	-	-	-	
332	A/P - PHA PROJECTS	-	-	-	-	-	-	
333	A/P - OTHER GOVERNMENT	12,404	-	3,827	-	-	16,231	
341	TENANT SECURITY DEPOSITS	24,928	-	-	-	-	24,928	
342	UNEARNED REVENUES	-	-	-	-	-	-	
343	CURRENT PORTION OF LT DEBT - CAPITAL/MORTGAGE	-	-	-	-	-	-	
344	CURRENT PORTION OF LT DEBT - OPERATING	-	-	-	-	-	-	
345	OTHER CURRENT LIABILITIES	-	-	-	-	-	-	
346	ACCRUED LIABILITIES - OTHER	16,572	-	3,554	-	-	20,126	
347	INTERPROGRAM DUE TO	-	-	-	18,164	-	(18,164)	
348	LOAN LIABILITIES - CURRENT	-	-	-	-	-	-	
310	TOTAL CURRENT LIABILITIES	95,868	-	25,892	18,164	-	(18,164)	121,760
	NONCURRENT LIABILITIES							
351	LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	
352	LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	
353	NONCURRENT LIABILITIES OTHER	58,620	-	51,553	-	-	110,173	
354	LONG TERM PORTION OF COMPENSATED ABSENC	12,982	-	8,146	-	-	21,128	
355	LOAN LIABILITIES - OTHER	-	-	-	-	-	-	
350	TOTAL NONCURRENT LIABILITIES	71,602	-	59,699	-	-	131,301	
300	TOTAL LIABILITIES	167,470	-	85,591	18,164	-	(18,164)	253,061
400	DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	-	
508.4	NET INVESTMENT IN CAPITAL ASSETS	4,610,352	-	-	133,524	-	4,743,876	
511.4	RESTRICTED NET POSITION	1,439,081	-	146,547	-	-	1,585,628	
512.1	UNRESTRICTED NET POSITION	555,783	-	470,412	2,027,616	-	3,053,811	
513	TOTAL EQUITY	6,605,216	-	616,959	2,161,140	-	9,383,315	
600	TOTAL LIABILITIES, DEF. INFLOW OF RES. & EQUITY	6,772,686	-	702,550	18,164	2,161,140	(18,164)	9,636,376
	REVENUE							
70300	NET TENANT REVENUE	193,456	-	-	-	-	193,456	
70400	TENANT REVENUE -OTHER	-	-	-	-	-	-	
70500	TOTAL TENANT REVENUE	193,456	-	-	-	-	193,456	
70600	HUD PHA OPERATING GRANTS	1,258,860	150,585	4,301,268	65,564	-	5,776,277	
70610	CAPITAL GRANTS	-	283,883	-	-	-	283,883	
70710	MANAGEMENT FEE	-	-	-	-	-	-	
70720	ASSET MANAGEMENT FEE	-	-	-	-	-	-	
70730	BOOKKEEPING FEE	-	-	-	-	-	-	

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]
 FINANCIAL DATA SCHEDULE
 SEPTEMBER 30, 2017

	PUBLIC AND INDIAN HOUSING 14.850	PUBLIC HOUSING CAPITAL FUND 14.872	SECTION 8 HCV 14.871	ROSS 14.870	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
70740	FRONT LINE SERVICE FEE	-	-	-	-	-	-
70800	OTHER GOVERNMENT GRANTS	-	-	-	-	-	-
71100	INVESTMENT INCOME - UNRESTRICTED	1,493	-	819	-	2,169	4,481
71200	MORTGAGE INTEREST INCOME	-	-	-	-	-	-
71300	PROCEEDS FROM DISPOSITION OF ASSETS HELD FOR SALE	-	-	-	-	-	-
71310	COST OF SALE OF ASSETS	-	-	-	-	-	-
71400	FRAUD RECOVERY	-	-	17,154	-	-	17,154
71500	OTHER REVENUE	25,881	-	2,838,248	-	1,085,371	3,939,500
71600	GAIN/(LOSS) ON SALE OF CAPITAL ASSET	-	-	-	-	(10,000)	-
72000	INVESTMENT INCOME - RESTRICTED	-	-	-	-	-	-
70000	TOTAL REVENUE	1,479,690	434,468	7,157,489	65,564	1,087,540	10,214,751
	EXPENSES						
	ADMINISTRATIVE						
91100	ADMINISTRATIVE SALARIES	181,766	-	263,884	59,927	-	505,577
91200	AUDITING FEES	12,062	-	-	-	5,365	17,427
91300	MANAGEMENT FEE	-	-	-	-	-	-
91310	BOOK-KEEPING FEE	-	-	-	-	-	-
91400	ADVERTISING & MARKETING	-	-	-	-	-	-
91500	EMPLOYEE BENEFIT CONTRIBUTIONS	97,222	-	77,686	3,717	-	178,625
91600	OFFICE EXPENSES	42,855	-	21,536	-	3,516	57,907
91700	LEGAL EXPENSES	1,258	-	110	-	-	1,368
91800	TRAVEL	6,928	-	1,224	-	7,091	15,243
91810	ALLOCATED OVERHEAD	350,947	-	71,882	-	-	422,829
91900	OTHER ADMINISTRATIVE EXPENSES	94,523	27,633	2,165	-	27,997	152,318
92000	ASSET MANAGEMENT FEE	-	-	-	-	-	-
	TENANT SERVICES						
92100	TENANT SERVICES - SALARIES	-	-	-	-	-	-
92200	RELOCATION COSTS	-	-	-	-	-	-
92300	EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	14,429	-	-	14,429
92400	TENANT SERVICES - OTHER	-	-	-	1,920	-	1,920
	UTILITIES						
93100	WATER	16,524	-	-	-	-	16,524
93200	ELECTRICITY	31,463	-	-	-	-	31,463
93300	GAS	6,623	-	-	-	-	6,623
93400	FUEL	-	-	-	-	-	-
93500	LABOR	-	-	-	-	-	-
93600	SEWER	8,488	-	-	-	-	8,488
93700	EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-
93800	OTHER UTILITIES EXPENSE	-	-	-	-	112	112
	ORDINARY MAINTENANCE & OPERATION						
94100	ORDINARY MAINTENANCE & OPERATIONS - LABOR	66,810	-	-	-	-	66,810
94200	ORDINARY MAINTENANCE & OPERATIONS - MATERIALS	34,936	8,000	-	-	-	42,936
94300	ORDINARY MAINTENANCE & OPERATIONS - CONTRACTS	303,976	5,200	24,547	-	-	333,723
94500	EMPLOYEE BENEFITS	32,238	-	-	-	-	32,238
	PROTECTIVE SERVICES						
95100	PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-
95200	PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-
95300	PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-
95500	EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-
	GENERAL EXPENSES						
96100	INSURANCE PREMIUMS	73,237	-	22,487	-	-	95,724
96200	OTHER GENERAL EXPENSE	4,972	-	27,561	-	3,757	36,290
96210	COMPENSATED ABSENCES	2,162	-	-	-	-	2,162
96300	PAYMENTS IN LIEU OF TAXES	12,404	-	-	-	-	12,404
96400	BAD DEBT - TENANT RENTS	15,105	-	-	-	-	15,105

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]
 FINANCIAL DATA SCHEDULE
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	PUBLIC AND INDIAN HOUSING 14.850	PUBLIC HOUSING CAPITAL FUND 14.872	SECTION 8 HCV 14.871	ROSS 14.870	BUSINESS ACTIVITIES	ELIMINATION	TOTAL	
96500	BAD DEBT - MORTGAGES	-	-	-	-	-	-	
96600	BAD DEBT - OTHER	-	-	-	-	-	-	
96700	INTEREST EXPENSE	-	-	-	-	-	-	
96800	SEVERANCE EXPENSE	-	-	-	-	-	-	
96900	TOTAL OPERATING EXPENSES	1,396,499	40,833	527,511	65,564	47,838	(10,000)	2,068,245
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	83,191	393,635	6,629,978	-	1,039,702	-	8,146,506
97100	EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-
97200	CASUALTY LOSSES - NONCAPITALIZED	-	-	-	-	-	-	-
97300	HOUSING ASSISTANCE PAYMENTS	39,909	-	3,830,398	-	-	-	3,870,307
97350	HAP PORTABILITY - IN	-	-	2,587,536	-	-	-	2,587,536
97400	DEPRECIATION EXPENSE	419,452	-	7,972	-	14,631	-	442,055
97500	FRAUD LOSSES	-	-	-	-	-	-	-
97600	CAPITAL OUTLAYS - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-
97700	DEBT PRINCIPAL PAYMENT - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-
97800	DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	1,855,860	40,833	6,953,417	65,564	62,469	(10,000)	8,968,143
10010	OPERATING TRANSFER IN	109,752	-	-	-	-	-	109,752
10020	OPERATING TRANSFER OUT	-	(109,752)	-	-	-	-	(109,752)
10070	EXTRAORDINARY ITEMS, NET GAIN/LOSS	-	-	-	-	-	-	-
10080	SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-
10091	INTERPROJECT EXCESS CASH TRANSFER IN	15,000	-	-	-	-	-	15,000
10092	INTERPROJECT EXCESS CASH TRANSFER OUT	(15,000)	-	-	-	-	-	(15,000)
10093	TRANSFERS BETWEEN PROGRAM & PROJECT - IN	-	-	-	-	-	-	-
10094	TRANSFERS BETWEEN PROGRAM & PROJECT - OUT	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	109,752	(109,752)	-	-	-	-	-
1000	EXCESS REVENUE OVER EXPENSES	(266,418)	283,883	204,072	-	1,025,071	-	1,246,608
11020	REQUIRED ANNUAL DEBT PRINCIPAL PAYMENTS	-	-	-	-	-	-	-
11030	BEGINNING EQUITY	6,587,751	-	412,887	-	1,136,069	-	8,136,707
11040	EQUITY TRANSFERS	283,883	-	-	-	-	-	283,883
11040	EQUITY TRANSFERS	-	(283,883)	-	-	-	-	(283,883)
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-
11040	PRIOR PERIOD ADJUSTMENTS	-	-	-	-	-	-	-
	ENDING EQUITY	6,605,216	-	616,959	-	2,161,140	-	9,383,315
11170	ADMINISTRATIVE FEE EQUITY	-	-	470,412	-	-	-	470,412
11180	HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	146,547	-	-	-	146,547
11190	UNIT MONTHS AVAILABLE	2,128	-	6,000	-	-	-	8,128
11210	NUMBER OF UNIT MONTHS LEASED	2,080	-	5,812	-	-	-	7,892
11610	LAND PURCHASES	-	-	-	-	-	-	-
11620	BUILDING PURCHASES	-	283,883	-	-	-	-	283,883
11630	FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	-	-	-	-	-	-
11640	FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCHASES	-	-	-	-	-	-	-
11650	LEASEHOLD IMPROVEMENTS PURCHASES	-	-	-	-	-	-	-
11660	INFRASTRUCTURE PURCHASES	-	-	-	-	-	-	-
13510	CFFP DEBT SERVICE PAYMENTS	-	-	-	-	-	-	-
13901	REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2017

Section I: Summary of Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified
Internal Control over financial reporting:
Are material weaknesses identified? ___Yes XNo
Are significant deficiencies that are not considered
to be material weaknesses identified? ___Yes XNone
Reported
Is noncompliance that could have a material effect
on the financial statements identified? ___Yes XNo

FEDERAL AWARDS

Internal control over major programs:
Are material weaknesses identified? ___Yes XNo
Are significant deficiencies that are not considered
to be material weaknesses identified? ___Yes XNone
Reported
Type of report issued on compliance with requirements
applicable to each major program: Unmodified
Are there any audit findings that are required to be
reported in accordance with 2CFR Section 200.516(a) of
the Uniform Guidance? ___Yes XNo

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Section 8 Housing Choice Vouchers	14.871

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Is the auditee identified as a low-risk auditee? XYes ___No

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2017

Section II: Financial Statement Findings:

Prior Year Findings and Questioned Costs

None

Current Year Findings and Questioned Costs

None

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs

None

Current Year Findings and Questioned Costs

None