

THE HOUSING AUTHORITY OF THE CITY OF  
EAST POINT, GEORGIA

REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED SEPTEMBER 30, 2018

**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, 2018, 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, 2018, 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.

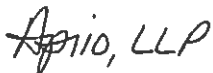
**Other Information**

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. Further, other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development's information and is not a required part of the 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 25, 2019 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 25, 2019

**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, 2018, 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 25, 2019.

***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.

*Aprio, LLP*

Birmingham, Alabama  
June 25, 2019

## **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, 2018. 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, 2018.

### ***Other Matters***

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

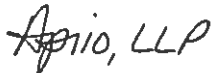
***Report on Internal Control Over Compliance***

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 25, 2019



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA**  
**SEPTEMBER 30, 2018**

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, 2018. 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 decreased by \$196,419 during 2018. Net Position was \$9,383,315 and \$9,186,896 for 2017 and 2018, respectively.
- The Authority's Revenue decreased by \$636,128 during 2018. Total revenues were \$10,214,751 and \$9,578,623 for 2017 and 2018 respectively.
- The Authority's Expenses increased by \$806,899 during 2018. Total expenses were \$8,968,143 and \$9,775,042 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." 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>2018</u>	<u>2017</u>	<u>Variance</u>
<b>Assets:</b>			
Current & Restricted Assets	\$ 5,424,999	\$ 4,892,500	\$ 532,499
Capital Assets	4,397,052	4,743,876	(346,824)
Deferred Outflows	-	-	-
<b>Total Assets &amp; Deferred Outflows</b>	<b><u>\$ 9,822,051</u></b>	<b><u>\$ 9,636,376</u></b>	<b><u>\$ 185,675</u></b>
<b>Liabilities:</b>			
Current Liabilities	\$ 497,063	\$ 121,760	\$ 375,303
Non Current Liabilities	138,092	131,301	6,791
Deferred Inflows	-	-	-
<b>Total Liabilities &amp; Deferred Inflows</b>	<b><u>\$ 635,155</u></b>	<b><u>\$ 253,061</u></b>	<b><u>\$ 382,094</u></b>
<b>Net Position:</b>			
Net Investment in Capital Assets	\$ 4,397,052	\$ 4,743,876	\$ (346,824)
Restricted Net Position	1,233,398	1,585,628	(352,230)
Unrestricted Net Position	3,556,446	3,053,811	502,635
<b>Total Net Position</b>	<b><u>\$ 9,186,896</u></b>	<b><u>\$ 9,383,315</u></b>	<b><u>\$ (196,419)</u></b>

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 \$532,499 due primarily to increases in cash and receivables.

Capital assets decreased \$346,824 due to depreciation expense exceeding capital additions during the current fiscal year.

Current liabilities increased \$375,303 due mainly to an increase in accounts payable.

Restricted net position decreased \$352,230 due to a decrease in cash restricted for Affordable Housing Development.

Table 2 presents details on the change in Unrestricted Net Position

**TABLE 2  
CHANGE IN UNRESTRICTED NET POSITION**

Unrestricted Net Position, September 30, 2017	\$3,053,811
Results of Operations	624,458
Interest Income	6,288
Extraordinary Maintenance	(829,949)
Depreciation Expense	349,608
Transfer from (to) Restricted Net Position	<u>352,230</u>
Unrestricted Net Position, September 30, 2018	<u>\$3,556,446</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>2018</u>	<u>2017</u>	<u>Variance</u>
<b>Revenues:</b>			
Tenant Rental Revenue	\$ 289,948	\$ 193,456	\$ 96,492
Operating Grants	6,200,048	5,776,277	423,771
Capital Grants Received	2,784	283,883	(281,099)
Investment Income	6,288	4,481	1,807
Other Revenue	<u>3,079,555</u>	<u>3,956,654</u>	<u>(877,099)</u>
<b>Total Revenues</b>	<b><u>9,578,623</u></b>	<b><u>10,214,751</u></b>	<b><u>(636,128)</u></b>
<b>Expenses:</b>			
Administrative Expenses	1,363,505	1,351,294	12,211
Tenant Services	4,314	16,349	(12,035)
Utilities	61,321	63,210	(1,889)
Maintenance & Operations	636,287	475,707	160,580
General Expense	196,654	161,685	34,969
Extraordinary Maintenance	829,949	-	829,949
Housing Assistance Payments	6,333,404	6,457,843	(124,439)
Depreciation	<u>349,608</u>	<u>442,055</u>	<u>(92,447)</u>
<b>Total Expenses</b>	<b><u>9,775,042</u></b>	<b><u>8,968,143</u></b>	<b><u>806,899</u></b>
<b>Excess (Deficiency) Revenues Over Expenses</b>	<b><u>\$ (196,419)</u></b>	<b><u>\$ 1,246,608</u></b>	<b><u>\$(1,443,027)</u></b>

**REVENUES**

Revenues decreased primarily due to a decrease in capital grants received and a decrease in other revenue offset by an increase in operating grants. Capital grants received decreased due to the timing of capital fund grants received. Other Revenue decreased primarily due to an increase in A/R – Legal Settlement during the prior year. Operating grants increased due to an increase in operating grants received through the capital grant funds program.

**EXPENSES**

Expenses increased primarily due to increases in maintenance and extraordinary maintenance offset by decreases in HAP expense and depreciation expense. Maintenance expenses increased due to an increase in salaries and benefits and an increase in unit turnarounds during the year. Extraordinary maintenance expense increased due to the demolition cost. HAP payments decreased due to a decrease in units leased during the current year. Depreciation expense decreased due to capital assets being fully depreciated in the prior year.

## CAPITAL ASSETS

### Capital Assets

As of September 30, 2018, the Authority had \$4,397,052 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions, and depreciation) of \$346,824 from September 30, 2017.

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

	2018	2017	Variance	% Change
Land	\$ 412,947	\$ 412,947	\$ -	0%
Buildings & Improvements	13,393,780	13,049,413	344,367	3%
Furniture & Equipment	553,872	553,872	-	0%
Construction in Process	742,505	1,084,088	(341,583)	-32%
Accumulated Depreciation	(10,706,052)	(10,356,444)	(349,608)	3%
<b>Net Capital Assets</b>	<b>\$ 4,397,052</b>	<b>\$ 4,743,876</b>	<b>\$ (346,824)</b>	<b>-7%</b>

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, 2017	\$ 4,743,876
Additions:	
Capital Fund Program - Improvements	2,784
Depreciation Expense	<u>(349,608)</u>
Ending Balance, September 30, 2018	<u>\$ 4,397,052</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, 2018

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

	<b>Enterprise Fund</b>
<b><u>Current Assets</u></b>	
Cash and Cash Equivalents	\$ 3,591,269
Accounts Receivable - Other	391,395
Tenants Accounts Receivable	10,913
Fraud Recovery	18,819
Prepaid Expenses	34,945
Inventories	28,661
Total Current Assets	<u>4,076,002</u>
<b><u>Restricted Assets</u></b>	
Inventory Held for Resale	1,054,476
Cash and Cash Equivalents	294,521
Total Restricted Assets	<u>1,348,997</u>
<b><u>Capital Assets</u></b>	
Land	412,947
Buildings & Improvements	13,393,780
Furniture & Equipment	553,872
Construction in Progress	742,505
	<u>15,103,104</u>
(Less): Accumulated Depreciation	<u>(10,706,052)</u>
Net Capital Assets	<u>4,397,052</u>
<b><u>Deferred Outflows of Resources</u></b>	
	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,822,051</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2018

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<b>Enterprise Fund</b>
<b><u>Current Liabilities</u></b>	
Accounts Payable	\$ 374,445
Accrued Wages and Payroll Taxes	16,601
Accrued Compensated Absences	2,382
Accounts Payable - Other Government	53,624
Tenant Security Deposits	24,473
Accrued Liabilities Other	25,538
Total Current Liabilities	<u>497,063</u>
<b><u>Long-Term Liabilities</u></b>	
Accrued Compensated Absences	\$ 22,493
Non-Current Liabilities - Other	115,599
Total Long Term Liabilities	<u>138,092</u>
Total Liabilities	<u>635,155</u>
<b><u>Deferred Inflows of Resources</u></b>	
	<u>-</u>
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	4,397,052
Restricted Net Position	1,233,398
Unrestricted Net Position	3,556,446
Total Net Position	<u>9,186,896</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,822,051</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, 2018

	<b>Enterprise Fund</b>
<u>Operating Revenues</u>	
Dwelling Rent	\$ 289,948
Operating Grants	6,200,048
Other Income	3,079,555
Total Operating Revenues	<u>9,569,551</u>
<u>Operating Expenses</u>	
Administrative	1,363,505
Tenant Services	4,314
Utilities	61,321
Maintenance and Operations	636,287
General Expense	196,654
Housing Assistance Payments	6,333,404
Depreciation	349,608
Total Operating Expenses	<u>8,945,093</u>
Operating Income (Loss)	<u>624,458</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	6,288
Extraordinary Maintenance	(829,949)
Total Non-Operating Revenues/(Expenses)	<u>(823,661)</u>
Increase (Decrease) before Capital Contributions	<u>(199,203)</u>
Capital Contributions	<u>2,784</u>
Increase (Decrease) in Net Position	(196,419)
Net Position, Beginning	9,383,315
Net Position, Ending	<u>\$ 9,186,896</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, 2018**

	<b>Enterprise Fund</b>
<b><u>Cash flows from operating activities:</u></b>	
Cash Received from Dwelling Rent	\$ 244,101
Cash Received from Operating Grants	5,971,420
Cash Received from Other Sources	4,009,521
Cash Payments for Salaries & Benefits	(757,433)
Cash Payments to Vendors & Landlords	(8,282,459)
Net cash provided (used) by operating activities	<u>1,185,150</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Capital Grants Received	28,579
Capital Outlay	(2,784)
Net cash provided (used) by capital and related financing activities	<u>25,795</u>
<b><u>Cash flows from investing activities:</u></b>	
Interest earned from cash and cash equivalents	6,288
Net cash provided (used) by investing activities	<u>6,288</u>
Net increase (decrease) in cash and cash equivalents	1,217,233
Total cash and cash equivalents, beginning of year	<u>2,668,557</u>
Total cash and cash equivalents, end of year	<u>\$ 3,885,790</u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u></b>	
Operating Income (Loss)	\$ 624,458
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	349,608
Bad Debt Expense	24,047
Extraordinary Maintenance	(829,949)
Change in Tenants Accounts Receivable	(45,847)
Change in Other Accounts Receivable	701,793
Change in Prepaid Costs	(18,296)
Change in Inventory	(2,758)
Change in Accounts Payable	330,224
Change in Accrued Expenses	41,487
Change in Other Liabilities	10,838
Change in Tenant Security Deposits	(455)
Net cash provided (used) by operating activities	<u>\$ 1,185,150</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF  
EAST POINT, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

**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 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, 2018, and as of June 25, 2019. 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 \$3,885,790. 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	3,635,790	3,635,047
Uncollateralized	-	-
	<u>\$ 3,885,790</u>	<u>\$ 3,885,047</u>



## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of September 30, 2018 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 2018, the Authority made the required contributions in the amount of \$98,009, and there were no unpaid pension liabilities outstanding at September 30, 2018.

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	\$ 342,807
Accounts Receivable - Fairburn Housing	1,852
Accounts Receivable - Ports	46,736
Total Accounts Receivable - Miscellaneous	<u>\$ 391,395</u>

NOTE K – ACCRUED LIABILITIES OTHER

Accrued Liabilities Other consists of the following:

Accrued Audit Fees	\$ 18,500
Accrued Utilities	7,038
Total Accrued Liabilities Other	<u>\$ 25,538</u>

NOTE L – LONG TERM LIABILITIES

A summary of long-term liabilities is as follows at September 30, 2018:

	Balance 09/30/17	Increases	Decreases	Balance 09/30/18	Due Within One Year
Accrued Compensated Absence:	\$ 23,510	\$28,273	\$ 26,908	\$ 24,875	\$ 2,382
FSS Escrows	110,173	5,426	-	115,599	-
Total Long Term Liabilities	<u>\$133,683</u>	<u>\$ 33,699</u>	<u>\$ 26,908</u>	<u>\$ 140,474</u>	<u>\$ 2,382</u>

NOTE M – RESTRICTED ASSETS

Restricted Assets consists of the following:

Cash Restricted for HAP	\$ 93,727
Cash Restricted for Affordable Housing Development	85,195
FSS Escrows	115,599
Inventory Held for Resale	1,054,476
	<u>\$ 1,348,997</u>

NOTE N – RESTRICTED NET POSITION

Restricted Net Position consists of the following:

Cash Restricted for HAP	\$ 93,727
Cash Restricted for Affordable Housing Development	85,195
Inventory Held for Resale	1,054,476
	<u>\$ 1,233,398</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – CAPITAL ASSETS

A summary of capital assets at September 30, 2018 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	13,260,289	133,491	-	13,393,780
Furniture and Equipment	387,209	93,507	73,156	553,872
Construction in Process	742,505	-	-	742,505
Less Accumulated Depreciation	<u>(10,426,845)</u>	<u>(226,998)</u>	<u>(52,209)</u>	<u>(10,706,052)</u>
Total Property and Equipment	<u>\$ 4,270,511</u>	<u>\$ -</u>	<u>\$ 126,541</u>	<u>\$ 4,397,052</u>

	<u>October 1, 2017 Balance</u>	<u>Additions</u>	<u>Transfers &amp; Deletions</u>	<u>September 30, 2018 Balance</u>
Land	\$ 412,947	\$ -	\$ -	\$ 412,947
Construction in Process	<u>1,084,088</u>	<u>2,784</u>	<u>(344,367)</u>	<u>742,505</u>
Total Assets not being depreciated	1,497,035	2,784	(344,367)	1,155,452
Buildings and Improvements	13,049,413	-	344,367	13,393,780
Furniture and Equipment	<u>553,872</u>	<u>-</u>	<u>-</u>	<u>553,872</u>
Total Property and Equipment	15,100,320	2,784	-	15,103,104
Less Accumulated Depreciation				
Building and Improvements	(9,909,664)	(340,411)	-	(10,250,075)
Furniture and Equipment	<u>(446,780)</u>	<u>(9,197)</u>	<u>-</u>	<u>(455,977)</u>
Net Book Value	<u>\$ 4,743,876</u>	<u>\$ (346,824)</u>	<u>\$ -</u>	<u>\$ 4,397,052</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, 2018, \$23,019 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 September 30, 2018, the Housing Authority of the City of East Point was paid \$21,600 in management fees.

### NOTE S – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through June 25, 2019 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.

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, 2018, for the blended component unit are as follows:

Condensed Blended Component Unit - Statement of Net Position

	Norman Berry Village, LLC 9/30/2018
<b>Assets</b>	
Current assets	\$ 2,082,747
Capital assets	126,541
Deferred Outflows	-
Total assets & deferred outflows	<u>\$ 2,209,288</u>
<b>Liabilities</b>	
Current liabilities	\$ 104
Non-current liabilities due	-
Deferred Inflows	-
Total liabilities & deferred inflows	<u>104</u>
<b>Net position</b>	
Net Investment in capital assets	126,541
Unrestricted net position	2,082,643
Total net position	<u>\$ 2,209,184</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 9/30/2018
Operating Revenues	
Other Revenue	\$ 130,718
Total operating revenues	<u>130,718</u>
Operating Expenses	
Administrative and general expenses	79,327
Depreciation	<u>6,982</u>
Total operating expenses	<u>86,309</u>
Operating Income(Loss)	<u>44,409</u>
Non-Operating Revenues (Expenses)	
Investment Income	<u>3,635</u>
Total Non-Operating Revenues (Expenses)	<u>3,635</u>
Increase (decrease) in net position	48,044
Beginning net position	<u>2,161,140</u>
Ending net position	<u>\$ 2,209,184</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 9/30/2018
Cash flows from (used by)	
operating activities	\$ 1,041,455
Cash flows from (used by)	
investing activities	3,635
Net increase in cash and equivalents	1,045,090
Beginning current and restricted cash	1,035,805
Ending current and restricted cash	<u>\$ 2,080,895</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 44,409
Depreciation	6,982
Change in other operating activities	990,064
Net cash provided (used) by operating activities	<u>\$ 1,041,455</u>

**THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA  
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - RESIDENTIAL  
 OPPORTUNITY & SELF SUFFICIENCY PROGRAM  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<b>Resident Opportunity &amp; Self Sufficiency Program GA078FSH157A016</b>
Funds Approved	\$ 69,000
Funds Disbursed	<u>69,000</u>
Excess Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 69,000
Funds Disbursed	<u>69,000</u>
Excess Funds (Deficiency)	<u>\$ -</u>

1. The distribution of costs as shown on the Federal Financial Report submitted to HUD for approval is in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.



THE HOUSING AUTHORITY OF THE CITY OF  
EAST POINT, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2018

EXPENDITURES

Public and Indian Housing Total CFDA Number 14.850	<u>\$ 1,044,001</u>
Section 8 Housing Choice Vouchers Total CFDA Number 14.871	<u>4,088,091</u>
Public Housing Capital Fund Program Total CFDA Number 14.872	<u>1,006,889</u>
Resident Opportunity and Supportive Services Total CFDA Number 14.870	<u>63,851</u>
TOTAL HUD EXPENDITURES	<u>6,202,832</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 6,202,832</u>

Note 1 - 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*. Because the schedule presents only a selected portion of operations of the Authority it is not intended to and does not present the financial net position, changes in net position or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2018

	PUBLIC AND INDIAN HOUSING	PUBLIC HOUSING CAPITAL FUND	SECTION 8 HCV	ROSS	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
	CASH						
111	CASH - UNRESTRICTED	905,130		579,510			
115	CASH - RESTRICTED FOR PMT OF CURRENT DEBT				2,080,895		3,565,635
112	CASH - RESTRICTED - MODERNIZATION						
113	CASH - OTHER RESTRICTED	107,453		187,068			294,521
114	CASH - TENANT SECURITY DEPOSITS	25,634					25,634
100	TOTAL CASH	1,038,217		766,578	2,080,895		3,885,790
<b>ACCOUNTS AND NOTES RECEIVABLE</b>							
	A/R - PHA PROJECTS						
121	A/R - HUD OTHER PROJECTS	342,807					342,807
124	A/R - OTHER GOVERNMENT			46,736	1,852		48,588
125	A/R - MISCELLANEOUS						
126	A/R - TENANTS	10,913					10,913
125.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS						
126.2	ALLOWANCE FOR DOUBTFUL ACCOUNTS - OTHER						
127	NOTES & MORTGAGES RECEIVABLE - CURRENT						
128	FRAUD RECOVERY	18,819					18,819
128.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - FRAUD						
129	ACCURED INTEREST RECEIVABLE						
120	TOTAL RECEIVABLES, NET OF ALLOWANCES	372,539		46,736	1,852		421,127
<b>CURRENT INVESTMENTS</b>							
131	INVESTMENTS - UNRESTRICTED						
132	INVESTMENTS - RESTRICTED						
135	INVESTMENTS - RESTRICTED FOR PMT OF CURRENT DEBT						
142	PREPAID EXPENSES AND OTHER ASSETS	25,535		9,410			34,945
143	INVENTORIES	33,782					33,782
143.1	ALLOWANCE FOR OBSOLETE INVENTORIES	(5,121)					(5,121)
144	INTER PROGRAM DUE FROM						
145	ASSETS HELD FOR SALE	1,056,476					3,054,476
150	TOTAL CURRENT ASSETS	2,519,428		822,924	2,082,747		5,424,999
<b>NONCURRENT ASSETS</b>							
<b>CAPITAL ASSETS</b>							
	LAND						
161	LAND	307,353			105,594		412,947
162	BUILDINGS	5,456,998		133,491			5,592,489
163	FURNITURE & EQUIPMENT - DRELLINGS						127,885
164	FURNITURE & EQUIPMENT - ADMINISTRATION	259,324		93,507	73,156		425,987
165	LEASEHOLD IMPROVEMENTS	7,801,291					7,801,291
167	CONSTRUCTION IN PROGRESS	742,505					742,505
168	INFRASTRUCTURE						
166	ACCUMULATED DEPRECIATION	(10,426,845)		(226,998)	(52,209)		(10,706,052)
160	TOTAL CAPITAL ASSETS, NET OF DEPRECIATION	4,270,511			126,541		4,397,052
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, 2018

	PUBLIC AND INDIAN HOUSING		PUBLIC HOUSING CAPITAL FUND		SECTION 8		BUSINESS ACTIVITIES		ELIMINATION	TOTAL
	INDIAN HOUSING	14,850	CAPITAL FUND	14,872	RCV	14,871	POSS	14,870		
176 INVESTMENTS IN JOINT VENTURES	-	-	-	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	4,270,511	-	-	-	-	-	126,541	-	-	4,397,052
200 DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	-	-	-	-
290 TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	6,789,939	-	-	-	822,824	-	2,209,288	-	-	9,822,051
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
311 BANK OVERDRAFT	-	-	-	-	-	-	-	-	-	-
312 A/P <= 90 DAYS	348,005	-	-	-	26,336	-	104	-	-	374,445
313 A/P > 90 DAYS PAST DUE	-	-	-	-	-	-	-	-	-	-
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	11,338	-	-	-	5,263	-	-	-	-	16,601
322 ACCRUED COMPENSATED ABSENCES - CURRENT	1,234	-	-	-	1,148	-	-	-	-	2,382
324 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-	-	-
325 ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-	-	-	-
331 A/P - HUD PBA PROGRAMS	-	-	-	-	-	-	-	-	-	-
332 A/P - PBA PROJECTS	-	-	-	-	-	-	-	-	-	-
333 A/P - OTHER GOVERNMENT	23,019	-	-	-	30,605	-	-	-	-	53,624
341 TENANT SECURITY DEPOSITS	24,473	-	-	-	-	-	-	-	-	24,473
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	21,671	-	-	-	3,867	-	-	-	-	25,538
347 INTERPROGRAM DUE TO	-	-	-	-	-	-	-	-	-	-
348 LOAN LIABILITIES - CURRENT	-	-	-	-	-	-	-	-	-	-
310 TOTAL CURRENT LIABILITIES	429,740	-	-	-	67,219	-	104	-	-	497,063
NONCURRENT LIABILITIES										
351 LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-	-	-	-
352 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-	-	-	-
353 NONCURRENT LIABILITIES OTHER	22,258	-	-	-	93,341	-	-	-	-	115,599
354 LONG TERM PORTION OF COMPENSATED ABSENC	14,096	-	-	-	8,397	-	-	-	-	22,493
355 LOAN LIABILITIES - OTHER	-	-	-	-	-	-	-	-	-	-
350 TOTAL NONCURRENT LIABILITIES	36,354	-	-	-	101,738	-	-	-	-	138,092
300 TOTAL LIABILITIES	466,094	-	-	-	168,957	-	104	-	-	635,155
400 DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	-	-	-	-	-
508.4 NET INVESTMENT IN CAPITAL ASSETS	4,270,511	-	-	-	-	-	126,541	-	-	4,397,052
511.4 RESTRICTED NET POSITION	1,139,671	-	-	-	93,727	-	-	-	-	1,233,398
512.1 UNRESTRICTED NET POSITION	913,663	-	-	-	560,140	-	2,082,643	-	-	3,556,446
513 TOTAL EQUITY	6,323,845	-	-	-	653,867	-	2,209,184	-	-	9,186,896
600 TOTAL LIABILITIES, DEF. INFLOW OF RES. & EQUITY	6,789,939	-	-	-	822,824	-	2,209,288	-	-	9,822,051
REVENUE										
70300 NET TENANT REVENUE	289,948	-	-	-	-	-	-	-	-	289,948
70400 TENANT REVENUE -OTHER	-	-	-	-	-	-	-	-	-	-
70500 TOTAL TENANT REVENUE	289,948	-	-	-	-	-	-	-	-	289,948
70600 HUD PBA OPERATING GRANTS	1,044,001	-	-	-	4,088,091	-	63,851	-	-	6,200,048
70610 CAPITAL GRANTS	2,784	-	-	-	-	-	-	-	-	2,784
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, 2018

	PUBLIC AND INDIAN HOUSING	PUBLIC HOUSING CAPITAL FUND	SECTION 8 REV	ROSS	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
	14,850	14,872	14,871	14,870			
70740	-	-	-	-	-	-	-
70800	-	-	-	-	-	-	-
71100	1,489	-	1,164	-	3,635	-	6,288
71200	-	-	-	-	-	-	-
71300	-	-	-	-	-	-	-
71310	-	-	14,117	-	-	-	14,117
71400	-	-	2,862,027	-	130,718	-	3,065,438
71500	72,693	-	-	-	-	-	-
71600	-	-	-	-	-	-	-
72000	-	-	-	-	-	-	-
70000	1,400,131	1,006,889	6,965,399	63,851	134,353	-	9,578,623
<b>EXPENSES</b>							
<b>ADMINISTRATIVE</b>							
91100	134,535	-	278,677	61,835	-	-	475,047
91200	15,633	-	4,367	-	2,722	-	22,722
91300	-	-	-	-	-	-	-
91310	-	-	-	-	-	-	-
91400	-	-	-	-	-	-	-
91500	79,597	-	78,234	2,016	-	-	159,847
91600	26,225	53,562	21,787	-	10,281	-	111,855
91700	5,046	-	-	-	12,261	-	17,307
91800	10,383	-	2,670	-	19,330	-	32,363
91810	396,565	-	81,224	-	-	-	477,789
91900	30,765	-	7,348	-	28,462	-	66,575
92000	-	-	-	-	-	-	-
<b>TENANT SERVICES</b>							
92100	-	-	4,314	-	-	-	4,314
92200	-	-	-	-	-	-	-
92300	-	-	-	-	-	-	-
92400	-	-	-	-	-	-	-
<b>UTILITIES</b>							
93100	15,067	-	-	-	-	-	15,067
93200	33,655	-	-	-	-	-	33,655
93300	4,767	-	-	-	-	-	4,767
93400	-	-	-	-	-	-	-
93500	-	-	-	-	-	-	-
93600	7,832	-	-	-	-	-	7,832
93700	-	-	-	-	-	-	-
93800	-	-	-	-	-	-	-
<b>ORDINARY MAINTENANCE &amp; OPERATION</b>							
94100	94,222	-	-	-	-	-	94,222
94200	35,052	-	-	-	-	-	35,052
94300	348,644	67,482	64,306	-	-	-	480,432
94500	26,541	-	-	-	-	-	26,541
<b>PROTECTIVE SERVICES</b>							
95100	-	-	-	-	-	-	-
95200	-	-	-	-	-	-	-
95300	-	-	-	-	-	-	-
95500	-	-	-	-	-	-	-
<b>GENERAL EXPENSES</b>							
96100	60,453	-	23,780	-	-	-	84,233
96200	29,169	-	28,380	-	6,290	-	63,839
96210	1,516	-	-	-	-	-	1,516
96300	23,019	-	-	-	-	-	23,019
96400	24,047	-	-	-	-	-	24,047

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]  
 FINANCIAL DATA SCHEDULE  
 SEPTEMBER 30, 2018

	PUBLIC AND INDIAN HOUSING 14,850	PUBLIC HOUSING CAPITAL FUND 14,872	SECTION # BCV 14,871	ROSS 14,870	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
96500							
96600							
96700							
96800							
96900	1,402,773	123,044	595,087	63,851	79,326		2,262,081
97000							
97100	5,358	885,845	6,370,312		55,027		7,316,542
97200							
97300							
97350							
97400	342,625				6,983		349,608
97500							
97600							
97700							
97800							
90000	1,745,398	950,993	6,928,491	63,851	86,309		9,775,042
10010							
10020	53,112						53,112
10070		(53,112)					(53,112)
10080							
10091	79,470						79,470
10092	(79,470)						(79,470)
10093							
10094							
10100	53,112	(53,112)					
1000	(284,155)	2,784	36,908		48,044		(196,419)
11020							
11030	6,605,216		616,959		2,161,140		9,383,315
11040	2,784	(2,784)					
11040							
11040							
11040							
11040	6,323,845		653,867		2,209,184		9,186,896
11170							
11180							
11190	2,163		5,859				8,021
11210	2,068		5,723				7,791
11610							
11620							
11630							
11640							
11650		2,784					2,784
11660							
13510							
13901		503,090					503,090

THE HOUSING AUTHORITY OF THE CITY OF  
EAST POINT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2018

**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, 2018

**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