

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED SEPTEMBER 30, 2016

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, 2016, 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.

Auditors' Responsibility

Our responsibility is to express opinions 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, 2016, 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.

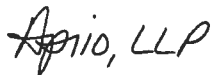
Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. 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 not a required part of the basic financial statements.

The other supplementary data 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 12, 2017 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 12, 2017

**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, 2016, 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 12, 2017.

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*.

We noted certain matters that we reported to management of the Authority in a separate letter dated June 12, 2017.

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 12, 2017

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 the Major Federal Programs

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 programs for the year ended September 30, 2016. The Authority's major federal programs are 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 programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. 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 programs for the year ended September 30, 2016.

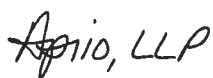
Report on Internal Control Over Compliance

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 programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

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



Birmingham, Alabama
June 12, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
SEPTEMBER 30, 2016

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, 2016. 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.

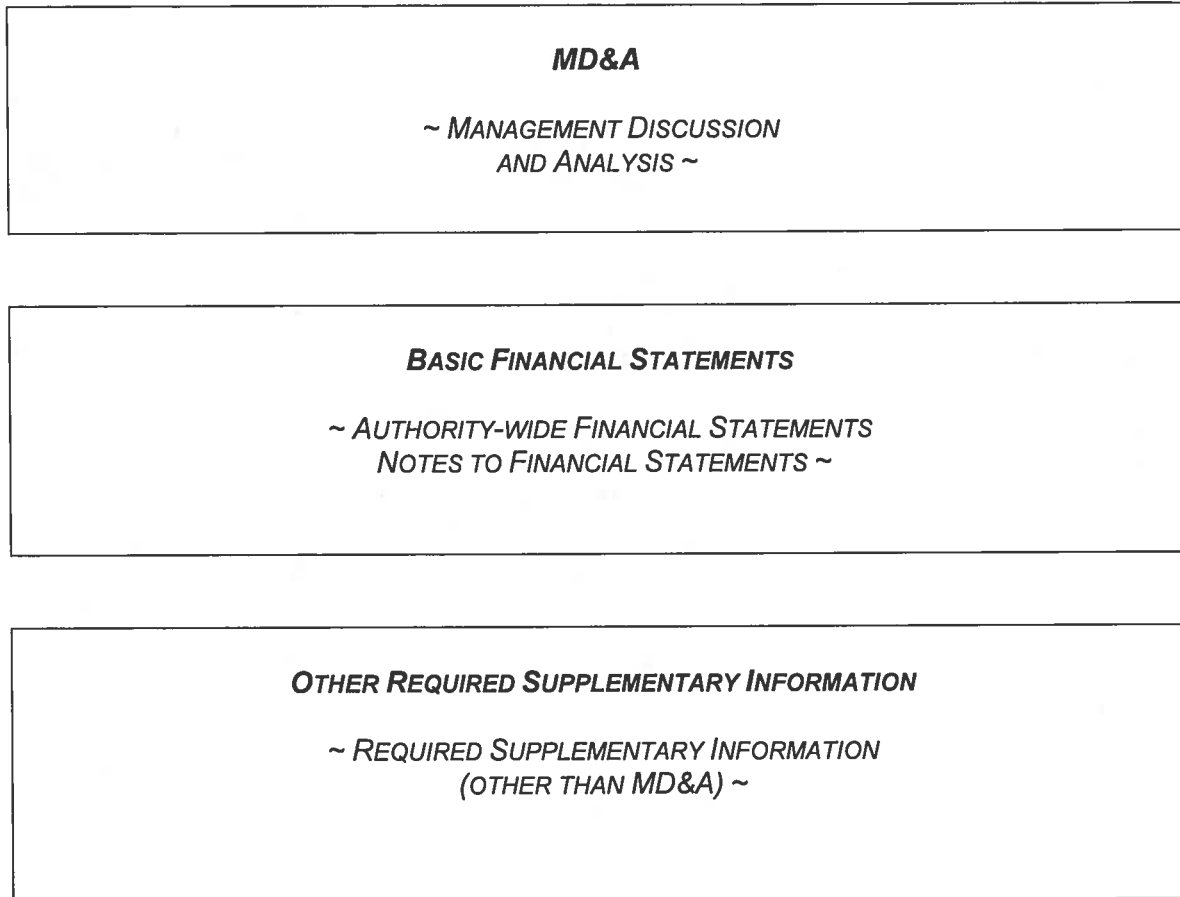
The Authority consists of a stand alone Enterprise Fund which utilizes the full accrual basis of accounting and is similar to accounting utilized by the private sector. Within the Enterprise Fund, the Authority maintains several distinct programs.

FINANCIAL HIGHLIGHTS

- The Authority's year end Net Position decreased by \$450,376 during 2016. Net Position was \$8,587,083 and \$8,136,707 for 2015 and 2016, respectively.
- The Authority's Revenue increased by \$21,855 during 2016. Total revenues were \$8,322,623 and \$8,344,478 for 2015 and 2016 respectively.
- The Authority's Expenses increased by \$265,331 during 2016. Total expenses were \$8,529,523 and \$8,794,854 for 2015 and 2016, 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:



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>2016</u>	<u>2015</u>	<u>Variance</u>
Assets:			
Current & Restricted Assets	\$ 3,457,320	\$ 3,947,469	\$ (490,149)
Capital Assets	<u>4,902,048</u>	<u>5,040,827</u>	<u>(138,779)</u>
Total Assets	<u>\$ 8,359,368</u>	<u>\$ 8,988,296</u>	<u>\$ (628,928)</u>
Liabilities:			
Current Liabilities	\$ 129,972	\$ 338,373	\$ (208,401)
Non Current Liabilities	<u>92,689</u>	<u>62,840</u>	<u>29,849</u>
Total Liabilities	<u>\$ 222,661</u>	<u>\$ 401,213</u>	<u>\$ (178,552)</u>
Net Position:			
Net Investment in Capital Assets	\$ 4,902,048	\$ 5,040,827	\$ (138,779)
Restricted Net Position	1,482,360	1,513,357	(30,997)
Unrestricted Net Position	<u>1,752,299</u>	<u>2,032,899</u>	<u>(280,600)</u>
Total Net Position	<u>\$ 8,136,707</u>	<u>\$ 8,587,083</u>	<u>\$ (450,376)</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 decreased \$490,149 due primarily to decreases in cash and receivables.

Capital assets decreased \$138,779 due to depreciation expense exceeding capital additions during the current fiscal year.

Restricted net position decreased due to a decrease 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, 2015	\$ 2,032,899
Results of Operations	(710,903)
Interest Income	4,450
Capital Asset Additions from Operations	(34,912)
Depreciation Expense	429,768
Transfer from (to) Restricted Net Position	<u>30,997</u>
Unrestricted Net Position, September 30, 2016	<u><u>\$ 1,752,299</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>2016</u>	<u>2015</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 133,462	\$ 55,552	\$ 77,910
Operating Grants	5,148,818	4,903,296	245,522
Capital Grants Received	256,077	547,868	(291,791)
Investment Income	4,450	4,504	(54)
Other Revenue	2,801,671	2,811,403	(9,732)
Total Revenues	<u>8,344,478</u>	<u>8,322,623</u>	<u>21,855</u>
Expenses:			
Administrative Expenses	1,615,963	1,351,587	264,376
Tenant Services	17,980	35,169	(17,189)
Utilities	61,652	98,371	(36,719)
Maintenance & Operations	433,494	638,366	(204,872)
General Expense	185,660	170,366	15,294
Housing Assistance Payments	6,050,337	5,801,473	248,864
Depreciation	429,768	434,191	(4,423)
Total Expenses	<u>8,794,854</u>	<u>8,529,523</u>	<u>265,331</u>
Excess (Deficiency) Revenues			
Over Expenses	<u><u>\$ (450,376)</u></u>	<u><u>\$ (206,900)</u></u>	<u><u>\$ (243,476)</u></u>

REVENUES

Revenues increased primarily due to an increase in operating grants received and an increase in tenant rental revenue received offset by a decrease in capital fund grants. Operating grants received increased due to an increase in Section 8 HAP payments and CFP Operating grants received. Tenant rental revenue increased due to more units being leased during the current year. HAP payments received increased due to an increase in units leased during the current year. CFP Operating grants received increased due to the timing and nature of the draws. Capital grants received decreased due to the timing and nature of the draws.

EXPENSES

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

CAPITAL ASSETS

Capital Assets

As of September 30, 2016, the Authority had \$4,902,048 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions, and depreciation) of \$138,779 from September 30, 2015.

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

	2016	2015	Variance	% Change
Land	\$ 412,947	\$ 412,947	\$ -	0%
Buildings & Improvements	12,761,464	12,761,464	-	0%
Furniture & Equipment	553,872	518,960	34,912	7%
Construction in Process	1,088,154	832,077	256,077	31%
Accumulated Depreciation	<u>(9,914,389)</u>	<u>(9,484,621)</u>	<u>(429,768)</u>	<u>5%</u>
Net Capital Assets	<u>\$ 4,902,048</u>	<u>\$ 5,040,827</u>	<u>\$ (138,779)</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, 2015	\$ 5,040,827
Additions:	
Capital Fund Program - Improvements	256,077
Operating Fund - Equipment	34,912
Depreciation Expense	<u>(429,768)</u>
Ending Balance, September 30, 2016	<u>\$ 4,902,048</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, 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 1,507,827
Accounts Receivable - Other	346,731
Tenants Accounts Receivable	10,172
Allowance for Doubtful Accounts	(803)
Prepaid Expenses	28,389
Inventories, Net of Allowances	10,642
Total Current Assets	<u>1,902,958</u>
<u>Restricted Assets</u>	
Inventory Held for Resale	1,054,476
Cash and Cash Equivalents	499,886
Total Restricted Assets	<u>1,554,362</u>
<u>Capital Assets</u>	
Land	412,947
Buildings & Improvements	12,761,464
Furniture & Equipment	553,872
Construction in Progress	1,088,154
	<u>14,816,437</u>
(Less): Accumulated Depreciation	<u>(9,914,389)</u>
Net Capital Assets	<u>4,902,048</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 8,359,368</u></u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 44,680
Accrued Wages and Payroll Taxes	15,493
Accrued Compensated Absences	2,297
Accounts Payable - Other Government	18,142
Tenant Security Deposits	23,838
Other Current Liabilities	25,522
Total Current Liabilities	<u>129,972</u>
<u>Long-Term Liabilities</u>	
Accrued Compensated Absences	\$ 20,687
Non-Current Liabilities - Other	72,002
Total Long Term Liabilities	<u>92,689</u>
Total Liabilities	<u>222,661</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net Investment in Capital Assets	4,902,048
Restricted Net Position	1,482,360
Unrestricted Net Position	1,752,299
Total Net Position	<u>8,136,707</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 8,359,368</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, 2016

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 133,462
Operating Grants	5,148,818
Other Income	2,801,671
Total Operating Revenues	<u>8,083,951</u>
<u>Operating Expenses</u>	
Administrative	1,615,963
Tenant Services	17,980
Utilities	61,652
Maintenance and Operations	433,494
General Expense	185,660
Housing Assistance Payments	6,050,337
Depreciation	429,768
Total Operating Expenses	<u>8,794,854</u>
Operating Income (Loss)	<u>(710,903)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	4,450
Total Non-Operating Revenues/(Expenses)	<u>4,450</u>
Increase (Decrease) before Capital Contributions	<u>(706,453)</u>
Capital Contributions	<u>256,077</u>
Increase (Decrease) in Net Position	(450,376)
Net Position, Beginning	8,587,083
Net Position, Ending	<u><u>\$ 8,136,707</u></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, 2016

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 117,003
Cash Received from Operating Grants	5,120,575
Cash Received from Other Sources	2,705,639
Cash Payments for Salaries & Benefits	(876,961)
Cash Payments to Vendors & Landlords	(7,633,335)
Net cash provided (used) by operating activities	<u>(567,079)</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	693,125
Capital Outlay	(290,989)
Net cash provided (used) by capital and related financing activities	<u>402,136</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	4,450
Net cash provided (used) by investing activities	<u>4,450</u>
Net increase (decrease) in cash and cash equivalents	(160,493)
Total cash and cash equivalents, beginning of year	<u>2,168,206</u>
Total cash and cash equivalents, end of year	<u><u>\$ 2,007,713</u></u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (710,903)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	429,768
Bad Debt Expense	17,500
Change in Tenants Accounts Receivable	(16,459)
Change in Other Accounts Receivable	(123,665)
Change in Prepaid Costs	5,878
Change in Inventory	9,354
Change in Accounts Payable	3,916
Change in Accrued Expenses	(12,882)
Change in Other Liabilities	(168,976)
Change in Tenant Security Deposits	(610)
Net cash provided (used) by operating activities	<u><u>\$ (567,079)</u></u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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. Cash on hand is not included in calculation of collateral required.

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 fixtures and equipment	5 - 10 years

Inventory Held for Resale

Property 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 \$2,007,713. Deposits with financial institutions are secured as follows:

	Reconciled Book Balance	Deposit in Bank
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities in the Authority name which are held by the financial institution	1,757,713	1,823,646
Uncollateralized	-	-
	<u>\$ 2,007,713</u>	<u>\$ 2,073,646</u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of September 30, 2016 as follows:

<u>Type Commitment</u>	<u>Amount</u>
Modernization Contracts	\$283,883

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 – SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation, useful lives and inventory held for resale valuations. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

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 2016, the Authority made the required contributions in the amount of \$103,378, and there were no unpaid pension liabilities outstanding at September 30, 2016.

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	\$ 238,692
Accounts Receivable - Fairburn Housing Authority	100,938
Accounts Receivable - Ports	7,101
Total Accounts Receivable - Miscellaneous	<u>\$ 346,731</u>

NOTE K – OTHER CURRENT LIABILITIES

Other Current Liabilities consists of the following:

Accrued Audit Fees	\$ 21,045
Accrued Utilities	4,477
Total Other Current Liabilities	<u>\$ 25,522</u>

NOTE L – LONG TERM LIABILITIES

A summary of long term liabilities is as follows at September 30, 2016:

	Balance 09/30/15	Increases	Decreases	Balance 09/30/16	Due Within One Year
Accrued Compensated Absences	\$ 26,155	\$ 29,107	\$ 32,278	\$ 22,984	\$ 2,297
FSS Escrows	39,840	32,162	-	72,002	-
Total Long Term Liabilities	<u>\$ 65,995</u>	<u>\$ 61,269</u>	<u>\$ 32,278</u>	<u>\$ 94,986</u>	<u>\$ 2,297</u>

NOTE M – RESTRICTED ASSETS

Restricted Assets consists of the following:

Cash Restricted for HAP	\$ 43,971
Cash Restricted for Affordable Housing Development	383,913
FSS Escrows	72,002
Inventory Held for Resale	1,054,476
	<u>\$ 1,554,362</u>

NOTE N – RESTRICTED NET POSITION

Restricted Net Position consists of the following:

Cash Restricted for HAP	\$ 43,971
Cash Restricted for Affordable Housing Development	383,913
Inventory Held for Resale	1,054,476
	<u>\$ 1,482,360</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – CAPITAL ASSETS

A summary of capital assets at September 30, 2016 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	12,627,973	133,491	-	12,761,464
Furniture, Fixtures and Equipment	387,209	93,507	73,156	553,872
Construction in Process	1,088,154	-	-	1,088,154
Less Accumulated Depreciation	(9,664,768)	(219,026)	(30,595)	(9,914,389)
Total Property and Equipment	<u>\$ 4,745,921</u>	<u>\$ 7,972</u>	<u>\$ 148,155</u>	<u>\$ 4,902,048</u>

	<u>October 1, 2015 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2016 Balance</u>
Land	\$ 412,947	\$ -	\$ -	\$ 412,947
Construction in Process	<u>832,077</u>	<u>256,077</u>	<u>-</u>	<u>1,088,154</u>
Total Assets not being depreciated	1,245,024	256,077	-	1,501,101
Buildings and Improvements	12,761,464	-	-	12,761,464
Furniture and Equipment	<u>518,960</u>	<u>34,912</u>	<u>-</u>	<u>553,872</u>
Total Property and Equipment	14,525,448	290,989	-	14,816,437
Less Accumulated Depreciation				
Building and Improvements	(9,150,348)	(381,005)	-	(9,531,353)
Furniture and Equipment	<u>(334,273)</u>	<u>(48,763)</u>	<u>-</u>	<u>(383,036)</u>
Net Book Value	<u>\$ 5,040,827</u>	<u>\$ (138,779)</u>	<u>\$ -</u>	<u>\$ 4,902,048</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, 2016, \$7,717 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, 2016, 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 12, 2017 the date the financial statements were 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.

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
SEPTEMBER 30, 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Public Housing Program	Capital Fund Program	Housing Choice Vouchers	ROSS Family & Homeownership	Business Activities	Elimination	Total
<u>Current Assets</u>							
Cash and Cash Equivalents	\$ 245,071	\$ -	\$ 386,511	\$ -	\$ 876,245	\$ -	\$ 1,507,827
Accounts Receivable - Other	226,406	-	7,101	12,286	100,938	-	346,731
Tenants Accounts Receivable	10,172	-	-	-	-	-	10,172
Allowance for Doubtful Accounts	(803)	-	-	-	-	-	(803)
Prepaid Expenses	22,083	-	6,306	-	-	-	28,389
Inventories, Net of Allowances	10,642	-	-	-	-	-	10,642
Interprogram Receivable	-	-	-	-	12,286	(12,286)	-
Total Current Assets	513,571	-	399,918	12,286	989,469	(12,286)	1,902,958
<u>Restricted Assets</u>							
Inventory Held for Resale	1,054,476	-	-	-	-	-	1,054,476
Cash and Cash Equivalents	403,515	-	96,371	-	-	-	499,886
Total Restricted Assets	1,457,991	-	96,371	-	-	-	1,554,362
<u>Capital Assets</u>							
Land	307,353	-	-	-	105,594	-	412,947
Buildings & Improvements	12,627,973	-	133,491	-	-	-	12,761,464
Furniture & Equipment	387,209	-	93,507	-	73,156	-	553,872
Construction in Progress	1,088,154	-	-	-	-	-	1,088,154
(Less): Accumulated Depreciation	14,410,689	-	226,998	-	178,750	-	14,816,437
Net Capital Assets	(9,664,768)	-	(219,026)	-	(30,595)	-	(9,914,389)
	4,745,921	-	7,972	-	148,155	-	4,902,048
<u>Deferred Outflows of Resources</u>							
	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 6,717,483	\$ -	\$ 504,261	\$ 12,286	\$ 1,137,624	\$ (12,286)	\$ 8,359,368

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM
SEPTEMBER 30, 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Public Housing Program	Capital Fund Program	Housing Choice Vouchers	ROSS Family & Homeownership	Business Activities	Elimination	Total
<u>Current Liabilities</u>							
Accounts Payable	\$ 38,345	\$ -	4,993	-	1,342	\$ -	\$ 44,680
Accrued Wages and Payroll Taxes	7,824	-	7,669	-	-	-	15,493
Accrued Compensated Absences	1,149	-	1,148	-	-	-	2,297
Accounts Payable - Other Government	7,717	-	10,425	-	-	-	18,142
Tenant Security Deposits	23,838	-	-	-	-	-	23,838
Other Current Liabilities	20,911	-	4,398	-	213	-	25,522
Interprogram Payable	-	-	-	12,286	-	(12,286)	-
Total Current Liabilities	99,784	-	28,633	12,286	1,555	(12,286)	129,972
<u>Long-Term Liabilities</u>							
Accrued Compensated Absences	10,346	-	10,341	-	-	-	20,687
Non-Current Liabilities - Other	19,602	-	52,400	-	-	-	72,002
Total Long Term Liabilities	29,948	-	62,741	-	-	-	92,689
Total Liabilities	129,732	-	91,374	12,286	1,555	(12,286)	222,661
<u>Deferred Inflows of Resources</u>	-	-	-	-	-	-	-
<u>Net Position</u>							
Net Investment in Capital Assets	4,745,921	-	7,972	-	148,155	-	4,902,048
Restricted Net Position	1,438,389	-	43,971	-	-	-	1,482,360
Unrestricted Net Position	403,441	-	360,944	-	987,914	-	1,752,299
Total Net Position	6,587,751	-	412,887	-	1,136,069	-	8,136,707
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 6,717,483	\$ -	\$ 504,261	\$ 12,286	\$ 1,137,624	\$ (12,286)	\$ 8,359,368

THE HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Vouchers</u>	<u>ROSS Family & Homeownership</u>	<u>Business Activities</u>	<u>Elimination</u>	<u>Total</u>
<u>Operating Revenues</u>							
Dwelling Rent	\$ 133,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,462
Operating Grants	876,524	298,661	3,866,848	106,785	-	-	5,148,818
Other Income	29,495	-	2,693,437	-	138,739	(60,000)	2,801,671
Total Operating Revenues	1,039,481	298,661	6,560,285	106,785	138,739	(60,000)	8,083,951
<u>Operating Expenses</u>							
Administrative	826,824	183,820	517,651	88,805	58,863	(60,000)	1,615,963
Tenant Services	-	-	-	17,980	-	-	17,980
Utilities	57,908	-	-	-	3,744	-	61,652
Maintenance and Operations	421,220	8,000	4,274	-	-	-	433,494
General Expense	132,483	-	51,650	-	1,527	-	185,660
Housing Assistance Payments	-	-	6,050,337	-	-	-	6,050,337
Depreciation	414,147	-	7,972	-	7,649	-	429,768
Total Operating Expenses	1,852,582	191,820	6,631,884	106,785	71,783	(60,000)	8,794,854
Operating Income (Loss)	(813,101)	106,841	(71,599)	-	66,956	-	(710,903)
<u>Non-Operating Revenues (Expenses)</u>							
Investment Income	1,701	-	869	-	1,880	-	4,450
Total Non-Operating Revenues/(Expenses)	1,701	-	869	-	1,880	-	4,450
Increase (decrease) before Capital Contributions and Transfers	(811,400)	106,841	(70,730)	-	68,836	-	(706,453)
Capital Contributions	-	256,077	-	-	-	-	256,077
Increase (Decrease) in Net Position	(811,400)	362,918	(70,730)	-	68,836	-	(450,376)
Net Position, Beginning	7,036,233	-	483,617	-	1,067,233	-	8,587,083
Net Position Transfers	256,077	(256,077)	-	-	-	-	-
Net Position, Ending	\$ 6,480,910	\$ 106,841	\$ 412,887	\$ -	\$ 1,136,069	\$ -	\$ 8,136,707

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2016

EXPENDITURES

Public and Indian Housing	
Total CFDA Number 14.850	<u>\$ 876,524</u>
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	<u>3,866,848</u>
Public Housing Capital Fund Program	
Total CFDA Number 14.872	<u>554,738</u>
Resident Opportunity and Supportive Services	
Total CFDA Number 14.870	<u>106,785</u>
 TOTAL HUD EXPENDITURES	 <u>5,404,895</u>
 TOTAL FEDERAL EXPENDITURES	 <u>\$ 5,404,895</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*.

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2016

	ASSETS	PUBLIC AND INDIAN HOUSING	PUBLIC HOUSING CAPITAL FUND	SECTION 8		ROSS	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
		14.850a	14.872	HCY	14.871	14.870			
	ASSETS								
	CURRENT ASSETS								
	CASH								
111	CASH - UNRESTRICTED	221,233	-	386,511	-	-	876,245	-	1,483,989
115	CASH - RESTRICTED FOR PYMT OF CURRENT DEBT	-	-	-	-	-	-	-	-
112	CASH - RESTRICTED - MODERNIZATION	-	-	-	-	-	-	-	-
113	CASH - OTHER RESTRICTED	403,515	-	96,371	-	-	-	-	499,886
114	CASH - TENANT SECURITY DEPOSITS	23,838	-	-	-	-	-	-	23,838
100	TOTAL CASH	648,586	-	482,882	-	-	876,245	-	2,007,713
	ACCOUNTS AND NOTES RECEIVABLE								
121	A/R - PHA PROJECTS	-	-	-	-	-	-	-	-
122	A/R - HUD OTHER PROJECTS	226,406	-	-	-	12,286	-	-	238,692
124	A/R - OTHER GOVERNMENT	-	-	7,101	-	-	100,938	-	108,039
125	A/R - MISCELLANEOUS	-	-	-	-	-	-	-	-
126	A/R - TENANTS	10,172	-	-	-	-	-	-	10,172
126.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS	(803)	-	-	-	-	-	-	(803)
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	235,775	-	7,101	-	12,286	100,938	-	356,100
	CURRENT INVESTMENTS								
131	INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-	-
132	INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-	-
135	INVESTMENTS - RESTRICTED FOR PYMT OF CURRENT DEBT	-	-	-	-	-	-	-	-
142	PREPAID EXPENSES AND OTHER ASSETS	22,083	-	6,306	-	-	-	-	28,389
143	INVENTORIES	15,763	-	-	-	-	-	-	15,763
143.1	ALLOWANCE FOR OBSOLETE INVENTORIES	(5,121)	-	-	-	-	-	-	(5,121)
144	INTER PROGRAM DUE FROM	-	-	-	-	-	12,286	(12,286)	-
145	ASSETS HELD FOR SALE	1,054,476	-	-	-	-	-	-	1,054,476
150	TOTAL CURRENT ASSETS	1,971,562	-	496,289	-	12,286	989,469	(12,286)	3,457,320
	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 - DRELLINGS	127,884	-	-	-	-	-	-	127,884
164	FURNITURE & EQUIPMENT - ADMINISTRATION	259,325	-	93,507	-	-	73,156	-	425,988
165	LEASEHOLD IMPROVEMENTS	7,168,975	-	-	-	-	-	-	7,168,975
167	CONSTRUCTION IN PROGRESS	1,088,154	-	-	-	-	-	-	1,088,154
168	INFRASTRUCTURE	-	-	-	-	-	-	-	-
166	ACCUMULATED DEPRECIATION	(9,664,768)	-	(219,026)	-	-	(30,595)	-	(9,914,389)
160	TOTAL CAPITAL ASSETS, NET OF DEPRECIATION	4,745,921	-	7,972	-	-	148,155	-	4,902,048
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]
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SEPTEMBER 30, 2016

	PUBLIC AND INDIAN HOUSING 14.850a	PUBLIC HOUSING CAPITAL FUND 14.872	SECTION B HCY 14.871	ROSS 14.870	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
176 INVESTMENTS IN JOINT VENTURES	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	4,745,921	-	7,972	-	148,155	-	4,902,048
200 DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	-
290 TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	6,717,493	-	504,261	12,286	1,137,624	(12,286)	8,359,368
LIABILITIES AND EQUITY							
CURRENT LIABILITIES	-	-	-	-	-	-	-
311 BANK OVERDRAFT	-	-	-	-	-	-	-
312 A/P <= 90 DAYS	38,345	-	4,993	-	1,342	-	44,680
313 A/P > 90 DAYS PAST DUE	-	-	-	-	-	-	-
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	7,824	-	7,669	-	-	-	15,493
322 ACCRUED COMPENSATED ABSENCES - CURRENT	1,149	-	1,148	-	-	-	2,297
324 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-
325 ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-
331 A/P - HUD PHA PROGRAMS	-	-	-	-	-	-	-
332 A/P - PHA PROJECTS	-	-	-	-	-	-	-
333 A/P - OTHER GOVERNMENT	7,717	-	10,425	-	-	-	18,142
341 TENANT SECURITY DEPOSITS	23,838	-	-	-	-	-	23,838
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	20,911	-	4,398	-	213	-	25,522
347 INTERPROGRAM DUE TO	-	-	-	12,286	-	(12,286)	-
348 LOAN LIABILITIES - CURRENT	-	-	-	-	-	-	-
310 TOTAL CURRENT LIABILITIES	99,784	-	28,633	12,286	1,555	(12,286)	129,972
NONCURRENT LIABILITIES							
351 LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-
352 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-
353 NONCURRENT LIABILITIES OTHER	19,602	-	52,400	-	-	-	72,002
354 LONG TERM PORTION OF COMPENSATED ABSENC	10,346	-	10,341	-	-	-	20,687
355 LOAN LIABILITIES - OTHER	-	-	-	-	-	-	-
350 TOTAL NONCURRENT LIABILITIES	29,948	-	62,741	-	-	-	92,689
300 TOTAL LIABILITIES	129,732	-	91,374	12,286	1,555	(12,286)	222,661
400 DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	-	-
508.4 NET INVESTMENT IN CAPITAL ASSETS	4,745,921	-	7,972	-	148,155	-	4,902,048
511.4 RESTRICTED NET POSITION	1,438,389	-	43,971	-	-	-	1,482,360
512.1 UNRESTRICTED NET POSITION	403,441	-	360,944	-	987,914	-	1,752,299
513 TOTAL EQUITY	6,587,751	-	412,887	-	1,136,069	-	8,136,707
600 TOTAL LIABILITIES, DEF. INFLOW OF RES. & EQUITY	6,717,493	-	504,261	12,286	1,137,624	(12,286)	8,359,368
REVENUE	-	-	-	-	-	-	-
70300 NET TENANT REVENUE	133,462	-	-	-	-	-	133,462
70400 TENANT REVENUE - OTHER	-	-	-	-	-	-	-
70500 TOTAL TENANT REVENUE	133,462	-	-	-	-	-	133,462
70600 HUD PHA OPERATING GRANTS	876,524	298,661	3,866,848	106,785	-	-	5,148,818
70610 CAPITAL GRANTS	-	256,077	-	-	-	-	256,077

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]

	PUBLIC AND INDIAN HOUSING 14,850s	PUBLIC HOUSING CAPITAL FUND 14,872	SECTION B		ROSS 14,870	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
			HCV					
70710	MANAGEMENT FEE	-	-	-	-	-	-	-
70720	ASSET MANAGEMENT FEE	-	-	-	-	-	-	-
70730	BOOKKEEPING FEE	-	-	-	-	-	-	-
70740	FRONT LINE SERVICE FEE	-	-	-	-	-	-	-
70800	OTHER GOVERNMENT GRANTS	-	-	-	-	-	-	-
71100	INVESTMENT INCOME - UNRESTRICTED	1,701	-	869	-	1,880	-	4,450
	MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-
71200	PROCEEDS FROM DISPOSITION OF ASSETS HELD FOR SALE	-	-	-	-	-	-	-
71300	COST OF SALE OF ASSETS	-	-	-	-	-	-	-
71310	FRAUD RECOVERY	-	-	13,024	-	-	-	13,024
71400	OTHER REVENUE	29,495	-	2,680,413	-	138,739	(60,000)	2,788,647
71500	GAIN/(LOSS) ON SALE OF CAPITAL ASSET	-	-	-	-	-	-	-
72000	INVESTMENT INCOME - RESTRICTED	-	-	-	-	-	-	-
70000	TOTAL REVENUE	1,041,182	554,738	6,561,154	106,785	140,619	(60,000)	8,344,478
	EXPENSES							
	ADMINISTRATIVE							
91100	ADMINISTRATIVE SALARIES	197,675	-	304,862	71,069	-	-	573,606
91200	AUDITING FEES	18,159	-	4,798	-	6,525	-	29,482
91300	MANAGEMENT FEE	-	-	-	-	-	-	-
91310	BOOK-KEEPING FEE	-	-	-	-	-	-	-
91400	ADVERTISING & MARKETING	-	-	-	-	-	-	-
91500	EMPLOYEE BENEFIT CONTRIBUTIONS	106,264	-	96,251	17,736	-	-	220,251
91600	OFFICE EXPENSES	92,874	6,423	28,968	-	412	(60,000)	68,677
91700	LEGAL EXPENSES	855	-	-	-	-	-	855
91800	TRAVEL	8,937	-	3,643	-	18,280	-	30,860
91810	ALLOCATED OVERHEAD	375,625	-	76,929	-	-	-	452,554
91900	OTHER ADMINISTRATIVE EXPENSES	26,435	177,397	2,200	-	33,646	-	239,678
92000	ASSET MANAGEMENT FEE	-	-	-	-	-	-	-
	TENANT SERVICES							
92100	TENANT SERVICES - SALARIES	-	-	-	-	-	-	-
92200	RELOCATION COSTS	-	-	-	-	-	-	-
92300	EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-
92400	TENANT SERVICES - OTHER	-	-	-	17,980	-	-	17,980
	UTILITIES							
93100	WATER	15,500	-	-	-	-	-	15,500
93200	ELECTRICITY	29,871	-	-	-	-	-	29,871
93300	GAS	4,435	-	-	-	-	-	4,435
93400	FUEL	-	-	-	-	-	-	-
93500	LABOR	-	-	-	-	-	-	-
93600	SEWER	8,102	-	-	-	-	-	8,102
93700	EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-
93800	OTHER UTILITIES EXPENSE	-	-	-	-	3,744	-	3,744
	ORDINARY MAINTENANCE & OPERATION							
94100	ORDINARY MAINTENANCE & OPERATIONS - LABOR	38,511	-	-	-	-	-	38,511
94200	ORDINARY MAINTENANCE & OPERATIONS - MATERIALS	35,536	8,000	-	-	-	-	43,536
94300	ORDINARY MAINTENANCE & OPERATIONS - CONTRACTS	326,576	-	4,274	-	-	-	330,850
94500	EMPLOYEE BENEFITS	20,597	-	-	-	-	-	20,597
	PROTECTIVE SERVICES							
95100	PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-
95200	PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-	-
95300	PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-
95500	EMPLOYEE BENEFIT CONTRIBUTIONS	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF EAST POINT, GEORGIA [GA078]
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2016

		PUBLIC HOUSING		SECTION 8		BUSINESS		TOTAL
		INDIAN HOUSING	CAPITAL FUND	HCY	ROSS	ACTIVITIES	ELIMINATION	
		14.850a	14.872	14.871	14.870			
GENERAL EXPENSES								
96100	INSURANCE PREMIUMS	75,038	-	26,999	-	-	-	102,037
96200	OTHER GENERAL EXPENSE	32,228	-	24,651	-	1,527	-	58,406
96210	COMPENSATED ABSENCES	-	-	-	-	-	-	-
96300	PAYMENTS IN LIEU OF TAXES	7,717	-	-	-	-	-	7,717
96400	BAD DEBT - TENANT RENTS	17,500	-	-	-	-	-	17,500
96500	BAD DEBT - MORTGAGES	-	-	-	-	-	-	-
96600	BAD DEBT - OTHER	-	-	-	-	-	-	-
96700	INTEREST EXPENSE	-	-	-	-	-	-	-
96800	SEVERANCE EXPENSE	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	1,438,435	191,820	573,575	106,785	64,134	(60,000)	2,314,749
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	(397,253)	362,918	5,987,579	-	76,485	-	6,029,729
97100	EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-
97200	CASUALTY LOSSES - NONCAPITALIZED	-	-	-	-	-	-	-
97300	HOUSING ASSISTANCE PAYMENTS	-	-	3,554,070	-	-	-	3,554,070
97350	HAP PORTABILITY - IN	-	-	2,496,267	-	-	-	2,496,267
97400	DEPRECIATION EXPENSE	414,147	-	7,972	-	7,649	-	429,768
97500	FRAUD LOSSES	-	-	-	-	-	-	-
97600	CAPITAL OUTLAYS - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-
97700	DEBT PRINCIPAL PAYMENT - GOVERNMENTAL FUNDS	-	-	-	-	-	-	-
97800	DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-
99000	TOTAL EXPENSES	1,852,582	191,820	6,631,884	106,785	71,783	(60,000)	8,794,854
10010	OPERATING TRANSFER IN	106,841	-	-	-	-	-	106,841
10020	OPERATING TRANSFER OUT	-	(106,841)	-	-	-	-	(106,841)
10070	EXTRAORDINARY ITEMS, NET GAIN/LOSS	-	-	-	-	-	-	-
10080	SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-
10091	INTERPROJECT EXCESS CASH TRANSFER IN	191,764	-	-	-	-	-	191,764
10092	INTERPROJECT EXCESS CASH TRANSFER OUT	(191,764)	-	-	-	-	-	(191,764)
10093	TRANSFERS BETWEEN PROGRAM & PROJECT - IN	-	-	-	-	-	-	-
10094	TRANSFERS BETWEEN PROGRAM & PROJECT - OUT	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	106,841	(106,841)	-	-	-	-	-
1000	EXCESS REVENUE OVER EXPENSES	(704,559)	256,077	(70,730)	-	68,836	-	(450,376)
11020	REQUIRED ANNUAL DEBT PRINCIPAL PAYMENTS	-	-	-	-	-	-	-
11030	BEGINNING EQUITY	7,036,233	-	483,617	-	1,067,233	-	8,587,083
11040	EQUITY TRANSFERS	256,077	(256,077)	-	-	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-
11040	PRIOR PERIOD ADJUSTMENTS	-	-	-	-	-	-	-
11040	ENDING EQUITY	6,587,751	-	412,887	-	1,136,069	-	8,136,707
11170	ADMINISTRATIVE FEE EQUITY	-	-	-	-	-	-	-
11180	HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	368,916	-	-	-	368,916
11190	UNIT MONTHS AVAILABLE	-	-	43,971	-	-	-	43,971
11210	NUMBER OF UNIT MONTHS LEASED	2,103	-	5,733	-	-	-	7,836
11610	LAND PURCHASES	2,069	-	5,653	-	-	-	7,722
11620	BUILDING PURCHASES	-	-	-	-	-	-	-

TOTAL

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2016

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 ☒ No
Are significant deficiencies that are not considered
to be material weaknesses identified? ☐ Yes ☒ None
Reported
Is noncompliance that could have a material effect
on the financial statements identified? ☐ Yes ☒ No

FEDERAL AWARDS

Internal control over major programs:
Are material weaknesses identified? ☐ Yes ☒ No
Are significant deficiencies that are not considered
to be material weaknesses identified? ☐ Yes ☒ None
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 ☒ No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Public and Indian Housing	14.850
Public Housing Capital Fund	14.872

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

Is the auditee identified as a low-risk auditee? ☒ Yes ☐ No

THE HOUSING AUTHORITY OF THE CITY OF
EAST POINT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2016

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