

PALM BEACH COUNTY HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2021



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**PALM BEACH COUNTY HOUSING AUTHORITY
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Palm Beach County Housing Authority
West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Palm Beach County Housing Authority (the Authority), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 entity'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 entity'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 September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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

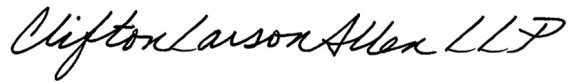
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial data schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial 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 basic financial statements as a whole.

Board of Commissioners
Palm Beach County Housing Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
June 30, 2022

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

As management of the Palm Beach County Housing Authority (the Authority), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Palm Beach County Housing Authority, 3432 West 45th Street, West Palm Beach, Florida 33407.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded the liabilities as of September 30, 2021, by \$19,175,357 (net position).
- The Authority's cash balances as of September 30, 2021, were \$7,335,245, representing an increase of \$1,587,580.
- The Authority earned revenue directly from the U.S. Department of Housing and Urban Development ("HUD") of \$41,304,380 which includes funds for capital asset activities.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any authority, the reader must also consider other non-financial factors such as changes in family household composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of capital assets. The following statements are included:

- **Statement of Net Position** – reports the Authority's assets, liabilities, and net position at the end of the fiscal year. The reader may consider or view the Authority's net position as the difference between the Authority's rights (assets) and the Authority's obligations (liabilities).
- **Statement of Revenue, Expenses, and Changes in Net Position** – this statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in the future periods.
- **Statement of Cash Flows** – this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e., capital additions, debt service, prior period obligations, etc.). The statement reflects the receipt or disbursement of cash that was obligated to or paid by the Authority in prior periods and subsequently received or paid during the current fiscal year (i.e., receivables and payables).

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

- **Notes to the Basic Financial Statements** – notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

FINANCIAL ANALYSIS

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
ASSETS			
Current Assets	\$ 9,505,904	\$ 7,797,811	\$ 1,708,093
Capital Assets, Net	14,451,183	13,369,250	1,081,933
Other Noncurrent Assets	4,536,518	4,536,518	-
Total Assets	<u>\$ 28,493,605</u>	<u>\$ 25,703,579</u>	<u>\$ 2,790,026</u>
LIABILITIES			
Current Liabilities	\$ 2,156,999	\$ 2,267,025	\$ (110,026)
Long-Term Debt, Less Current Portion	6,857,947	7,002,449	(144,502)
Other Noncurrent Liabilities	303,302	293,820	9,482
Total Liabilities	<u>9,318,248</u>	<u>9,563,294</u>	<u>(245,046)</u>
NET POSITION			
Net Investment in Capital Assets	7,448,396	6,228,496	1,219,900
Restricted	1,468,828	856,785	612,043
Unrestricted	10,258,133	9,055,004	1,203,129
Total Net Position	<u>19,175,357</u>	<u>16,140,285</u>	<u>3,035,072</u>
Total Liabilities and Net Position	<u>\$ 28,493,605</u>	<u>\$ 25,703,579</u>	<u>\$ 2,790,026</u>

Current Assets increased by \$1,708,093 due to any increase in funding received from HUD.

Capital Assets, Net increased by \$1,081,933 due to \$1,948,668 in purchases which was offset by \$856,811 in depreciation expense.

Total Liabilities decreased by \$110,026, this decrease was mainly caused by a decrease of \$292,816 in unearned revenue.

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

Net Position - The difference between the Authority's rights (assets) and the Authority's obligations (liabilities) is its net position. Net position is categorized as one of three types.

1. Net investment in capital assets – the Authority's investment in capital assets, net of accumulated depreciation and related debt, is the net capital asset balance offset by long-term debt used to finance the capital assets.
2. Restricted – the Authority's net position whose use is subject to constraints imposed by law or agreement consisting primarily of HAP equity. As of September 30, 2021, the Authority reports \$1,468,828 of restricted net position which consists of \$669,350 of Section 8 HAP reserves, \$36,859 of Mainstream HAP reserves that are restricted for landlord rental payments and restricted fraud recovery and \$515,038 for Reserve for Replacement and \$247,581 restricted for Emergency Housing Vouchers.
3. Unrestricted – the Authority's net position that is neither invested in capital assets nor restricted which increases principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

One of the larger portions of the Authority's net position (approximately 39%) represents net investment in capital assets. The Authority uses these capital assets to provide services to its program participants. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. However, the assets were collateralized for the outstanding liability.

At the end of the current fiscal year, the Authority is able to report positive balances in all three categories of net position. The same situation held true for its prior fiscal year.

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

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

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
OPERATING REVENUE			
Net Tenant Rental Revenue	\$ 2,863,075	\$ 2,956,882	\$ (93,807)
Operating Grants and Subsidies - HUD	39,696,090	32,494,623	7,201,467
Other Revenue	<u>3,463,151</u>	<u>5,848,748</u>	<u>(2,385,597)</u>
Total Operating Revenue	46,022,316	41,300,253	4,722,063
OPERATING EXPENSES			
Administrative	3,834,482	3,105,787	728,695
Tenant Services	310,034	184,804	125,230
Utilities	192,685	182,795	9,890
Maintenance and Operations	1,843,514	1,639,690	203,824
Insurance Premiums	376,813	374,530	2,283
General	386,655	502,294	(115,639)
Housing Assistance Payments	36,743,674	31,614,518	5,129,156
Depreciation	<u>856,811</u>	<u>785,027</u>	<u>71,784</u>
Total Operating Expenses	<u>44,544,668</u>	<u>38,389,445</u>	<u>6,155,223</u>
OPERATING INCOME (LOSS)	1,477,648	2,910,808	(1,433,160)
NONOPERATING REVENUES (EXPENSES)	(50,866)	(95,826)	44,960
CAPITAL CONTRIBUTIONS	<u>1,608,290</u>	<u>771,999</u>	<u>836,291</u>
CHANGE IN NET POSITION	3,035,072	3,586,981	(551,909)
Net Position - Beginning of Year	<u>16,140,285</u>	<u>12,553,304</u>	<u>3,586,981</u>
NET POSITION - END OF YEAR	<u>\$ 19,175,357</u>	<u>\$ 16,140,285</u>	<u>\$ 3,035,072</u>

Total Operating Revenue increased by \$4,722,063 primarily due to the increase in Operating Grants-HUD of \$7,201,467. This increase was offset by a decrease of \$2,385,597 in Other Revenue due to the Authority one-time developer fee of \$2,592,553 in fiscal year 2020.

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

Administrative expense increased by \$728,695 in the current year due to an increase in administrative salaries and upgrades to a new accounting software.

Maintenance and operations expense increased by \$203,824 in the current year due to an increase in salaries and maintenance contracts.

Housing assistance payments increased by \$5,129,156 primarily due to an increase in Housing Assistance Payments for the Housing Choice Voucher and Housing Opportunities for Persons with AIDS programs and an increased utilization of the vouchers.

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2021**

DEBT ACTIVITY

At the end of fiscal year 2021, the Authority's long-term debt, less current portion, decreased by \$144,502 compared to prior year. This decrease was caused by current year payments of \$137,967.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded;
- 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 as well as the Housing Assistance Payments (HAP) to landlords;
- Inflationary pressure on utility rates, housing costs, supplies and other costs; and
- Trends in the current housing market.

Agency at a Glance

The Authority faced significant challenges during the end of the fiscal year. As a result, and after extensive management review, a decision was made to evaluate all agency operations. We have made considerable progress as we move through this exercise to ensure adherence to best practices yielding a successful agency.

The agency is continually reviewing partnerships and contracts to ensure the best interest of clients, residents and the agency is being considered first and foremost. There are strides to ensure Management and the Board of Commissioners have transparency to the public. The agency is shifting the pendulum of their environment to ensure overall success of the agency in the future.

CONCLUSION

The Authority continues to face some uncertainty in federal funding provided by HUD. However, with the continued support of the Authority's valued staff, its visionary Board of Commissioners, and its community partners, the Authority will continue to provide excellent customer service to our residents and clients, and continue to function as a sustainable business within the Palm Beach County area.

In the Authority's continued efforts to accomplish their mission statement – the goal of sustaining self-sufficiency among low to moderate income residents – collaborating with key stakeholders will assist in meeting the economic challenges that face the Authority due to factors beyond their control. The Authority is presently engaged with several development projects that will meet these goals.

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

ASSETS

CURRENT ASSETS

Cash - Unrestricted	\$ 4,693,043
Cash - Restricted	2,642,202
Receivables, Net	1,857,624
Prepaid Expenses	229,413
Inventory, Net	<u>83,622</u>
Total Current Assets	<u>9,505,904</u>

NONCURRENT ASSETS

Capital Assets:	
Capital Assets, Not Being Depreciated	6,096,482
Capital Assets, Being Depreciated, Net	<u>8,354,701</u>
Capital Assets, Net	14,451,183

Other Assets:

Note Receivable	3,360,000
Deferred Developer Fees	<u>1,176,518</u>
Total Other Assets	<u>4,536,518</u>

Total Noncurrent Assets	<u>18,987,701</u>
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Total Assets	<u><u>\$ 28,493,605</u></u>
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**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2021**

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable	\$ 600,356
Accrued Liabilities	244,693
Accounts Payable - Other Government	101,058
Accrued Compensated Absences, Current Portion	95,556
Unearned Revenue	536,108
Current Portion of Long-Term Debt	144,840
Tenant Security Deposits (Payable from Restricted Assets)	211,984
Family Self Sufficiency Escrow, Current (Payable from Restricted Assets)	222,404
Total Current Liabilities	2,156,999

NONCURRENT LIABILITIES

Long-Term Debt, Net of Current Portion	6,857,947
Accrued Compensated Absences, Net of Current Portion	73,542
Family Self Sufficiency Escrow (Payable from Restricted Assets)	229,760
Total Noncurrent Liabilities	7,161,249

Total Liabilities	9,318,248
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NET POSITION

Net Investment in Capital Assets	7,448,396
Restricted	1,468,828
Unrestricted	10,258,133
Total Net Position	19,175,357

Total Liabilities and Net Position	\$ 28,493,605
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**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

OPERATING REVENUES	
Tenant Revenue, Net	\$ 2,863,075
HUD Operating Revenues	39,696,090
Other Operating Revenue	3,463,151
Total Operating Revenues	<u>46,022,316</u>
OPERATING EXPENSES	
Administrative	3,834,482
Tenant Services	310,034
Utilities	192,685
Maintenance and Operations	1,843,514
Insurance Premiums	376,813
General Expenses	386,655
Housing Assistance Payments	36,743,674
Depreciation Expense	856,811
Total Operating Expenses	<u>44,544,668</u>
OPERATING INCOME	1,477,648
NONOPERATING REVENUES (EXPENSES)	
Interest Income - Unrestricted	253,877
Interest Expense	(313,575)
Gain on Sale of Capital Assets	8,832
Total Nonoperating Revenues (Expenses)	<u>(50,866)</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	1,426,782
CAPITAL CONTRIBUTIONS	
HUD Capital Grants	<u>1,608,290</u>
CHANGE IN NET POSITION	3,035,072
Total Net Position - Beginning of Year	<u>16,140,285</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 19,175,357</u></u>

See accompanying Notes to Financial Statements.

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts:

Collections from Tenants	\$ 2,008,194
HUD Operating Grants Received	39,971,861
Other Income Receipts	<u>3,832,802</u>
Total Receipts	<u>45,812,857</u>

Disbursements:

Payments to Employees for Wages and Benefits	3,000,144
Payments to Suppliers	3,685,638
Payments to Landlords	<u>36,771,090</u>
Total Disbursements	<u>43,456,872</u>

Net Cash Provided by Operating Activities	2,355,985
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Interest Paid on Debt	(313,957)
Principal Paid on Capital Debt	(137,967)
Proceeds from Capital Grants	1,608,290
Purchase of Capital Assets	(1,938,744)
Proceeds from Sale of Capital Assets	<u>8,832</u>
Net Cash Used by Capital and Related Financing Activities	<u>(773,546)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received	<u>5,141</u>
Net Cash Provided by Investing Activities	<u>5,141</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

1,587,580

Cash and Cash Equivalents - Beginning of Year

5,747,665

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 7,335,245

REPORTED AS

Cash - Unrestricted	\$ 4,693,043
Cash - Restricted	<u>2,642,202</u>
Total Cash - End of Year	<u><u>\$ 7,335,245</u></u>

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

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

Operating Income	\$ 1,477,648
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	856,811
(Increase) Decrease in Assets:	
Accounts Receivable - PHA	(42,460)
Accounts Receivable - HUD Other Projects	35,112
Accounts Receivable - Other Government	(226,107)
Accounts Receivable - Miscellaneous	371,276
Accounts Receivable - Tenants	(60,952)
Prepaid Expenses	46,697
Inventory, Net	4,657
Increase (Decrease) in Liabilities:	
Accounts Payable	238,087
Accrued Salaries and Benefits	(62,351)
Accrued Compensated Absences	481
Accounts Payable - PHA Projects	7,605
Accounts Payable - Other Government	(24,184)
Unearned Revenue	(292,186)
Tenant Security Deposits	5,858
Other Current Liabilities	45,176
Accrued Liabilities - Other	(35,021)
Noncurrent Liabilities - Other	9,838
Net Cash Provided by Operating Activities	<u>\$ 2,355,985</u>

See accompanying Notes to Financial Statements.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Palm Beach County Housing Authority (the Authority), is a public body corporate and politic pursuant to Florida Statutes Chapter 421 by Palm Beach County, Florida (the County). The primary purpose of the Authority is to develop, acquire, and operate safe, decent, sanitary, and affordable housing for low-income families in the County in accordance with federal legislation and regulations.

The Authority's mission is our People are committed to the endeavor of preserving and Building quality, affordable housing in Choice inclusive neighborhoods – using Housing as a platform for social and economic Advancement.

The Authority's governing board consists of a five member Board of Commissioners (the Board), the members of which are appointed by the governor of the state of Florida. The Authority is not a component unit of the County, as defined in Governmental Accounting Standards Board (GASB).

Reporting Entity

The Governmental Accounting Standards Board has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under these criteria, the Authority is considered to be a primary government, it is a special-purpose government that has a separate governing body, is legally separate and is fiscally independent of other state or local governments.

In determining how to define the reporting entity, management of the Authority has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Units and Related Organization

All of these entities were created to assist the Authority in various residential rental and affordable housing development projects in the County.

Blended Component Units

- The SPECTRA Organization, Inc. (SPECTRA) – The activity of The SPECTRA Organization, Inc. is accounted for on a calendar year basis. The most recently published financial statements were for the year ended December 31, 2020.
- Banyan Club Apartment Holding Corporation (Banyan) – The activity of Banyan Club Apartment Holding Corporation is accounted for on a calendar year basis. The most recently published financial statements were for the year ended December 31, 2020.
- Westgate Housing, LLC
- Palm Beach County Housing Development Corporation, Inc. – (No financial activity during fiscal year 2020)
- New South Bay Villas, LLC – (No financial activity during fiscal year 2021)

Related Organizations

- Westgate Plaza Apartments, LTD
- Spectra Covenant Villas, LLC
- New South Bay Villas, LTD

Basis of Presentation and Accounting

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States of America.

Based on compelling reasons offered by HUD, the Authority reports its operations under the governmental proprietary fund type (enterprise fund), which uses the full accrual basis of accounting. The enterprise fund emphasizes the flow of economic resources measurement focus. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Revenues are recorded when they are earned and expenses are recorded at the time liabilities are incurred.

Enterprise Fund

The enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or change in net position necessary for management accountability is appropriate. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the public on a continuing basis be financed or recovered primarily through user charges.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Program/Activity Accounting

The accounting records are established in a manner which enables the Authority to ensure observance of limitations and restrictions placed on the use of resources available to it. The accounting records are also maintained in a manner that provides the Authority with the ability to monitor the financial results associated with certain other activities or otherwise provide for management accountability.

Separate identifiable accounts are maintained within the accounting records for each program/activity. However, all of the programs/activities are part of a single enterprise fund for financial reporting purposes.

The programs/activities included in the accompanying financial statements include all programs/activities of the Authority that relate to providing housing assistance to lower-income families and all other programs, functions and activities over which the Board has oversight responsibility and financial accountability. These programs/activities are as follows:

Housing Voucher Cluster

**Section 8 Housing Choice Vouchers (HCVP) (AL 14.871) and
Mainstream Vouchers (MS5) (AL 14.879)**

These programs accounts for the activity associated with the projects and other facilities subsidized by HUD under an Annual Contributions Contract. The purpose of Section 8 housing is to aid very-low-income families in obtaining decent, safe, and sanitary rental housing. Section 8 housing allows very-low-income families to rent privately-owned housing in the neighborhood of their choice.

**COVID-19 HCV CARES Act Funding (AL 14.871) and COVID-19 Mainstream
CARES Act Funding (AL 14.879)**

These funds were provided to Authority's to supplement administrative fee funding to help the Authority cover administrative and other expenses related to COVID-19.

Emergency Housing Vouchers (AL 14.871)

This program provides funding for to help individuals and families who are homeless, at risk of homelessness, fleeing domestic violence, dating violence, sexual assault, stalking, or human trafficking, or to help prevent family's homelessness.

Housing Opportunity for Persons with AIDS (HOPWA) (AL 14.241)

The Housing Opportunity for Persons with AIDS (HOPWA) program is run in partnership with the City of West Palm Beach. Funding for which is provided through reimbursement from the city for tenant based rental assistance and supportive services.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Program/Activity Accounting (Continued)

Public and Indian Housing (AL 14.850)

This program accounts for the project owned by the Authority that is subsidized by HUD under an Annual Contributions Contract. The program collects operating subsidy from HUD and also collects rent from tenants. The purpose of public housing is to provide decent and affordable dwelling for lower-income families. The Authority's public housing program consists of 428 units which are located in five geographic locations, including 44 units in scattered locations throughout Boynton Beach and Palm Beach County, Florida. The development is owned and maintained by the Authority.

Public Housing Capital Fund (CFP) (AL 14.872)

This program is used to account for the activities of the Authority's capital improvement program. The Authority has received several grants from HUD to make improvements to its public housing complexes and to pay for certain management improvements. The capital fund provides funds annually to the Authority for capital and management activities, including modernization and development of public housing.

PIH Family Self-Sufficiency (AL 14.896)

The PIH Family Self Sufficiency Program enables families assisted through the Housing Choice Voucher (HCV) and Public Housing (PH) programs to increase their earned income and reduce their dependency on social services and rental subsidies.

Jobs-Plus Pilot Initiative (AL 14.895)

The Jobs-Plus Pilot Initiative is a locally designed program implemented in a collaboration among local housing authority, residents of public housing developments, local welfare agencies, local workforce development agencies, and other relevant partners. It is aimed at significantly increasing employment and income of public housing residents.

Resident Opportunity and Supportive Services (AL 14.870)

The Resident Opportunity and Supportive Services program helps address the economic and housing self-sufficiency needs of public and Indian housing residents by providing grant-funded service coordinators who link residents to the supportive services they need in order to achieve economic and housing self-sufficiency; and for elderly/disabled residents to continue to age/reside in place and avoid costlier forms of care.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Program/Activity Accounting (Continued)

Community Development Block Grant (AL 14.218)

Community Development Block Grant (CDBG) includes HUD grants passed through from Palm Beach County government. Properties were purchased with these funds through various Neighborhood Stabilization Program (NSP) grants. These properties consist of six scattered single-family homes and a 65 multi-family unit complex located in South Bay, Florida. Funding of program operations is provided by tenant rental income and the Authority's unrestricted funds. All units leased shall be decent and affordable to low-income families. Any program income at year-end is transferred to Palm Beach County government. New South Bay Villas, LTD., a related party, purchased the rental property, which comprised of 65 multi-family unit complex and will continue the rehabilitation of the units. The Authority maintains ownership of the land and the daycare.

Central Office Cost Center

The Central Office Cost Center (COCC) is a business unit within the Authority that generates revenues from fee income and other business activities. The COCC consists of activities funded through these revenue sources.

Business Activities

These activities account for the operations of the various affordable housing complexes operated by the Authority and the other resources received by the Authority that are not restricted by outside sources as to expenditure for the benefit of specific projects or purposes.

Budgets

Budgets are prepared on an annual basis for each program/activity and are used as a management tool throughout the accounting cycle. Budgets, although adopted by the Board, are not, however, legally adopted nor required in the basic financial statement presentation.

Cash and Cash Equivalents

The Authority considers all highly liquid instruments, including all certificates of deposit and short-term investments with an original maturity of three months or less to be cash equivalents. The Authority does not have any cash equivalents as of September 30, 2021.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Certain assets are classified as restricted assets in the accompanying statement of net position when constraints are placed on their use by external parties or law. The assets that are classified as restricted include the following:

Restricted Cash

Restricted cash consists of bank accounts that have been established in order to ensure the availability of funds to pay family self-sufficiency program participants, to repay tenant security deposits, to pay housing assistance payments to landlords and reserve for replacements.

Receivables

Receivables consist of revenues earned during the fiscal year and not yet received. Amounts due from HUD consist of grant revenue accrued for allowable program expenses not yet funded. Other receivables consist of tenant receivables, fraud recovery receivables for the housing assistance payments programs, and reimbursement receivables from various parties in the normal course of business.

Tenant accounts receivable are being presented in the financial statements net of an allowance for doubtful accounts of \$14,075, which is based on prior experience and estimated by management as receivables with overdue balances in excess of 60 days. In addition, tenant fraud recovery repayment agreements are deemed fully collectible by management based on account composition and prior experience. No allowance is established for HUD and other governmental receivables as management believes that these amounts are fully collectible.

Note Receivable

The Authority advances money to affordable housing projects to help fund the development of low-income housing units. Such notes are repayable out of the affordable housing projects cash flows, and residual values. The Authority believes the note receivable is fully collectible when due in 15 years.

Inventory

Inventories consist principally of expendable building materials and supplies held for use or consumption in the course of the Authority's operations. All inventories are valued on a first-in, first-out (FIFO) basis. If inventory items fall below cost due to damage, deterioration, or obsolescence, the Authority establishes an allowance for obsolete inventory. Based on management's experience with the types of items in inventory, an allowance for obsolescence of \$3,048 is recorded as of September 30, 2021.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The Authority's policy is to capitalize assets with a cost of \$5,000 or more and a useful life in excess of one year. The Authority capitalizes the costs of site acquisition and improvement, structures, equipment, and direct development costs meeting the capitalization policy. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets contributed by third parties are valued at the acquisition value on the date of contribution.

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

Buildings	40 Years
Land Improvements	15 Years
Building Modernization	15 Years
Office and Other Equipment	3 to 10 Years

Impairment of Long-Living Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a long-lived asset is impaired, and that the impairment is significant and other than temporary, then an impairment loss will be recorded in the Authority's financial statements. In the current year, the Authority did not recognize any loss on impairment related to its long-lived assets.

Accrued Compensated Absences

Full-time permanent employees are granted vacation and sick leave benefits. Vacation leave is granted at varying rates depending on tenure with the Authority and can accrue to a maximum of 250 hours. After three months of service, employees in good standing are entitled to all accrued but unused leave upon separation from the Authority. Employees with leave time in excess of 250 hours lose the excess leave benefits on the last day of the fiscal year unless utilized. Once per year, during the first pay period of the fiscal year, an employee may elect payment in exchange for accrued vacation leave in excess of 10 days. Such payments are made at the employee's current rate of pay. Sick leave is accrued at the rate of one day per month, or a maximum of 12 days per year. Any unused sick leave at year-end is carried over into the next fiscal year limited to 500 hours. The estimated amount for accrued and vested leave benefits is recorded as a liability in the basic financial statements and the amount earned in any given year is recorded as an expense. After seven years of services, employees are paid half of their sick leave upon separation, if the employee is in good standing.

Inter-Program Transactions – Due to/from Other Programs/Activities

In the normal course of operations, programs may temporarily advance cash to other programs. These inter-program receivables or payables are eliminated for the presentation of the Authority as a whole. As of September 30, 2021, \$477,098 of interprogram receivables and payables were eliminated.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fee for Service

The Authority's Central Office Cost Center (COCC) internally charges fees to Public Housing and other programs of the Authority. These charges include management fees, bookkeeping fees, and asset management fees. For financial reporting purposes, \$1,231,903 of fee for service charges have been eliminated for the year ended September 30, 2021.

Net Position

Net position represents the difference between assets and liabilities in the financial statements and is classified into three components:

Net Investment in Capital Assets – This component consists of capital assets net of accumulated depreciation, less debt related to the acquisition of capital assets.

Restricted – This category consists of components of net position restricted in their use by (1) external groups such as grantors, creditors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports \$1,468,828 of restricted net position which consists of \$669,350 of Housing Choice Voucher Housing Assistance Payment (HAP) reserves, \$36,859 of Mainstream HAP reserves, and \$247,581 Emergency Housing Voucher HAP, which are restricted for landlord rental payments, and \$515,038 for Reserve for Replacement.

Unrestricted – All other net position that does not meet the definition of "restricted" or "invested in capital assets".

The Authority applies restricted resources first when an expense is incurred for the purpose of which both restricted and unrestricted net position is available.

Tenant Revenue

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the lease only for cause. Revenues associated with these leases are recorded in the accompanying basic financial statements and related schedules within tenant revenue. Primarily all of the capital assets of the Authority are for these leasing activities except for the administrative and maintenance equipment.

In accordance with GASB Statement No. 34 and related guidance, tenant revenue is presented in the financial statements net of the bad debt expense amount of \$27,626.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Nonoperating Revenue and Expenses

The Authority recognizes operating revenue and expenses as a result of providing low rent housing and other services. The principal operating revenues of the Authority consist of tenant rental charges, operating subsidies and fees received from the federal government and other grantor organizations and other revenue received from ancillary operations such as maintenance charges to tenants, laundry operations and similar operations. Operating expenses include the costs of operating the Authority owned housing complexes, housing assistance payments to landlords, administrative expenses, and costs associated with providing program services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Government Operating Grants and Subsidies

The subsidies and grants received by the Authority from HUD under Annual Contributions Contracts and other grantor entities are recorded as revenue in the period earned in accordance with accounting principles generally accepted in the United States of America.

Income Taxes

The Authority is a governmental agency and is exempt from federal and state income taxes. Accordingly, no provision for federal or state income taxes has been made in the financial statements.

The Authority's blended component units have requirements to file federal tax returns. These returns have been filed. The component units paid no federal and state income taxes for the year ended September 30, 2021. The Authority's component units are open to IRS tax audits for the periods of 2018 through 2021.

Use of Estimates

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

Financial Data Schedules (FDS)

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The schedule's format presents certain operating items as nonoperating such as depreciation expense, housing assistance payments and extraordinary maintenance expense. In addition, the schedule's format includes nonoperating items as operating such as interest income, HUD capital revenue, interest expense, gains, and losses on the disposal of capital assets. Furthermore, the schedule reflects tenant revenue and bad debt expense separately.

PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New GASB Pronouncements

The Authority fully implemented the following GASB Statements during the fiscal year ended September 30, 2021:

- 1) Statement No. 84, *Fiduciary Activities*, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. There were no changes to the financial statements with the implementation.

NOTE 2 CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department. As of September 30, 2021, none of the Authority's bank balance was exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the relative value of a security will decline due to a change in interest rates. The Authority's policy to limit its exposure to declines in fair values of its investment portfolio is to only invest in HUD allowed investments and to monitor these investments. As of September 30, 2021, the Authority had no investments and, therefore, was not exposed to interest rate risk.

Credit Risk

Credit risk is the risk that a counterparty will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of September 30, 2021, the Authority had no investments and, therefore, was not exposed to credit risk.

Deposits

All cash deposits are carried at cost and are in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized. Florida Statutes Chapter 280 sets forth the qualifications and requirements that a financial institution must meet in order to become a qualified depository. The Statute also defines the amount and type of collateral that must be pledged in order to remain qualified.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits (Continued)

Florida Statute 218.45 requires deposits of governmental entities be made only with Qualified Public Depositories (QPDs). Public funds on deposit in QPDs are protected against loss due to insolvency by: (1) federal deposit insurance; (2) the pledge of securities as collateral; and (3) a contingent liability agreement that allows the Chief Financial Officer of the State of Florida to assess QPDs if the securities pledged by an insolvent QPD are insufficient. The agreement for collateralization of public funds is with the State of Florida and not with the Authority. Similar to FDIC, the State of Florida is guaranteeing the deposit.

As of September 30, 2021, the Authority's book balance of cash was \$7,335,426 and the bank balance was \$7,492,494.

The Authority's cash accounts are covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the Authority for the loss.

Restricted Cash

Cash was restricted for the following purposes as of September 30, 2021:

Cash - Restricted	
Section 8 HAP Equity	\$ 669,350
Mainstream Voucher HAP Equity	36,859
Emergency Housing Voucher HAP Equity	247,581
Family Self-Sufficiency Escrows	600,914
Reserve for Replacement	515,038
Security Deposits	211,984
CARES Act Funding	360,476
Total Restricted Cash	<u>\$ 2,642,202</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 ACCOUNTS RECEIVABLES

As of September 30, 2021, accounts receivables consist of:

Tenant Accounts Receivable		
Dwelling Rents	\$	104,521
Allowance for Doubtful Accounts - Dwelling Rents		<u>(12,443)</u>
Net Tenant Accounts Receivable		92,078
Fraud Recovery		
Fraud Recovery		22,518
Allowance for Doubtful Accounts - Fraud Recovery		<u>(1,632)</u>
Net Fraud Recovery		20,886
Amounts Due from Other Governments		
Other Public Housing Authorities		70,156
U.S. Department of Housing and Urban Development		133,600
Other Governments		<u>285,736</u>
Total Amount Due from Other Governments		489,492
Accounts Receivable - Miscellaneous		205,130
Accounts Receivable - Related Party		15,705
Accrued Interest Receivable		<u>1,034,333</u>
Total Accounts Receivable, Net	<u>\$</u>	<u>1,857,624</u>

NOTE 4 NOTE RECEIVABLES

The Authority entered into a note with New South Bay Villas, LTD on March 1, 2017, in the amount of \$3,360,000. The note was used to fund the rehabilitation and construction of a 131 – unit affordable housing project to be known as New South Bay Villas. Interest shall accrue on the outstanding principal of the note at a rate of 6.00% per annum, compounded annually. No payments of principal or interest will be required during the 15 year tax credit compliance period. In the event of a default, the note should accrue interest on the outstanding principal balance of the note at 3.00% per annum over the interest rate. The outstanding principal and all accrued but unpaid interest shall be due and payable 30 years after the date of this note. The balance of the note is \$3,360,000 and the balance of accrued interest receivable is \$1,034,333 as of September 30, 2021.

NOTE 5 OTHER ASSETS

The Authority is due a developer fee from New South Bay Villas, Ltd. The amount due as of September 30, 2021 is \$1,176,518. The developer fee is payable from available development proceeds as detailed in the development agreement. The developer fee is considered to be fully collectible; accordingly, no allowance has been recorded.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2021, is as follows:

	Beginning Balances	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Nondepreciable					
Land	\$ 5,647,925	\$ -	\$ -	\$ -	\$ 5,647,925
Construction in Progress	241,086	457,471	-	(250,000)	448,557
Total Nondepreciable	5,889,011	457,471	-	(250,000)	6,096,482
Capital Assets, Depreciable:					
Building and Improvements	30,124,375	1,275,087	(1,601)	250,000	31,647,861
Equipment - Dwelling	630,268	-	-	-	630,268
Equipment - Administrative	1,894,835	209,386	(19,530)	-	2,084,691
Total Depreciable	32,649,478	1,484,473	(21,131)	250,000	34,362,820
Total Capital Assets	38,538,489	1,941,944	(21,131)	-	40,459,302
Accumulated Depreciation:					
Building and Improvements	(22,611,359)	(730,695)	1,601	-	(23,340,453)
Equipment - Dwelling	(630,268)	-	-	-	(630,268)
Equipment - Administrative	(1,927,611)	(126,116)	19,530	-	(2,034,197)
Total Accumulated Depreciation	(25,169,238)	(856,811)	21,131	-	(26,004,918)
Capital Assets, Net	\$ 13,369,251	\$ 1,085,133	\$ -	\$ -	\$ 14,454,384

In September 2014, the Authority entered into a 99-year ground lease for \$1 a year with Banyan Club Apartments Holding Corporation. The land is recorded on the Authority's books at \$1,100,000.

In March 2017, the Authority entered into a 75-year ground lease for \$1 a year with New South Bay Villas, LTD. The land is recorded on the Authority's books at \$29,500.

NOTE 7 LONG-TERM LIABILITIES

Noncurrent Liabilities

A summary of changes in noncurrent liabilities for the year ended September 30, 2021 is as follows:

	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowing:					
PNC Mortgage	\$ 278,276	\$ -	\$ (23,153)	\$ 255,123	\$ 24,930
Mortgage Payable	6,862,478	-	(114,814)	6,747,664	119,910
Total Long-Term Debt	7,140,754	-	(137,967)	7,002,787	144,840
Other Noncurrent Liabilities:					
Family Self-Sufficiency Escrow	397,150	112,275	(57,261)	452,164	222,404
Compensated Absences	168,617	111,559	(111,078)	169,098	95,556
Total Other Noncurrent Liabilities	565,767	223,834	(168,339)	621,262	317,960
Total Long-Term Debt	\$ 7,706,521	\$ 223,834	\$ (306,306)	\$ 7,624,049	\$ 462,800

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (COTINUED)

The SPECTRA Organization PNC Mortgage

On January 28, 2004 Spectra entered into a note payable with PNC Bank, which is payable in 300 monthly installments. The first 120 payments bear interest of 6.5%; thereafter, the rate is subject to change. Payments of \$3,406 principal and interest began on the date the note was issued and continue until January 28, 2029. The balance due as of December 31, 2020 is \$255,124. The note is collateralized by a first mortgage on real property.

Banyan Club Apartments Holding Corporation Mortgage Payable

On September 22, 2015, Banyan entered into an agreement with HUD for a mortgage note in the amount of \$7,382,400.

The mortgage note payable is due to Rockhall Funding Corp. in monthly installments of \$47,278, with a maturity date of October 2049 and an interest rate of 4.32%. The monthly installment includes principal, interest, escrows for taxes and insurance, and reserve for replacements. The indebtedness is secured by a mortgage, deed to secure debtor deed of trust dated as of the date of the note. The mortgage is insured by the Federal Housing Commissioner. During 2020, the Project made principal, interest, and insurance payments of \$114,814, \$295,830, and \$30,576 respectively. The Project has the remaining principal balance of \$6,747,663, of which \$119,910 is due within the next year. Also, the Project has recorded an accrued interest amount of \$24,460 as of December 31, 2020.

A summary of aggregate annual future maturities is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 144,839	\$ 312,048
2022	151,974	299,952
2023	159,323	2,815,064
2024	167,038	284,888
2025	175,138	276,788
2026-2030	925,223	1,252,764
2031-2035	1,011,427	1,043,878
2036-2040	1,256,490	798,630
2041-2045	1,561,389	439,916
2046-2050	1,449,946	126,780
Total	<u>\$ 7,002,787</u>	<u>\$ 7,650,708</u>

PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 PENSION PLAN

The Authority offers a defined contribution plan (the Plan) created in accordance with Internal Revenue Code Section 401(a) and administered by Lincoln Financial Advisors. All employees 21 years of age or above are eligible to participate in the Plan after one year of continuous service. The Authority's Board may amend provisions of the Plan. The Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries; consequently, the Authority has no fiduciary responsibility and, therefore, the net assets of the Plan are not included in the Authority's financial statements.

As of September 30, 2021, there were 24 defined contribution Plan members. Members do not contribute to the Plan. The Authority's contribution is discretionary and determined on a yearly basis at a rate of 13.75% of the Plan participant's annual base salary for participants enrolled prior to October 1, 2007, and 6% for those participants enrolled thereafter. During the year ended September 30, 2021, the Authority contributed \$122,500 to the Plan.

NOTE 9 RISK MANAGEMENT AND UNCERTAINTIES

The Authority is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. As part of the Authority's risk management program, certain commercial insurance policies are purchased. In addition, the Authority joined Housing Authorities Risk Retention Group (HARRG), a public risk pool currently operating as a common risk management and insurance program. The Authority pays an annual premium to HARRG for its liability insurance coverage. The agreement for formation of HARRG provides that it will be self-sustaining through member premiums and will reinsure all other risks of loss, including workers' compensation and employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years, nor has there been any reduction in coverage in the current year.

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Authority, COVID-19 may impact various parts of its 2022 operations and financial results. Management believes the Authority is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are currently on-going.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 COMMITMENTS AND CONTINGENCIES

Legal

The Authority is party to various pending or threatened legal actions arising in the normal course of operations. The Authority is vigorously fighting certain claims made by former employees and certain vendors. The Authority believes these claims are baseless and the majority are being handled by the Authority's insurance company. Although the outcome of these actions is not presently determinable, it is the Authority's opinion that any ultimate liability is not expected to have a material adverse effect on the Authority's financial position.

Grants and Contracts

The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. As of the date of this report, management is not aware of any such examinations.

NOTE 11 ECONOMIC DEPENDENCY

The Authority's operations are concentrated in the real estate market. The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules, and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Authority receives a substantial amount of its support from the federal government in the form of subsidies and grants. If a significant reduction in the level of this support were to occur, it may have a direct effect on the Authority's programs and activities.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 11 ECONOMIC DEPENDENCY

The table below lists out the revenue the Authority received and the percentage of that revenue to total revenue.

	Year Ended September 30, 2021 Total Revenue	Percentage of Total Revenue
Revenue from HUD		
Section 8 Housing Choice Voucher Program - HAP	\$ 29,931,130	62.84%
Section 8 Housing Choice Voucher Program - Administrative	1,896,441	3.98%
Section 8 Housing Choice Voucher Program - CARES Act	344,349	0.72%
Housing Opportunities for Persons with AIDS	2,915,310	6.12%
Mainstream Vouchers - HAP	2,285,100	4.80%
Mainstream Vouchers - Administrative	153,718	0.32%
Mainstream Vouchers - CARES Act	39,982	0.08%
Public and Indian Housing	1,484,770	3.12%
Public and Indian Housing - CARES Act	63,496	0.13%
Capital Fund Program	1,752,290	3.60%
Emergency Housing Voucher - HAP	296,254	0.62%
Emergency Housing Voucher - Admin	22,062	0.05%
PIH Family Self Sufficiency Program	64,201	0.13%
Jobs-Plus Pilot Initiative	16,770	0.04%
Resident opportunity and Supportive Services	10,942	0.02%
Total Revenue from HUD	41,276,815	86.57%
Non-HUD Funding		
Tenant Rental Revenue, Net of Bad Debt	2,863,075	6.01%
Other Income	1,391,267	2.54%
Portability-In - HAP	1,979,860	4.16%
Portability-In - Administrative	92,024	0.19%
Investment Income	253,877	0.53%
Total Other Income	6,580,103	13.43%
Total Revenue	\$ 47,856,918	100.00%

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 12 RELATED PARTY TRANSACTIONS

The Authority is a related organization to Westgate Plaza Apartments LTD and New South Bay Villas, LTD. The Authority had the following balances with the related organizations:

	<u>As of September 30, 2021</u>	<u>For Year Ended September 30, 2021</u>
	<u>Due From</u>	<u>Revenues</u>
Westgate Plaza Apartments, LTD	\$ -	\$ 33,709
New South Bay Villas, LTD	5,570,851	248,736
Total	<u>\$ 5,570,851</u>	<u>\$ 282,445</u>

Westgate Plaza Apartments, LTD

Westgate Plaza Apartments, LTD (the Partnership) is a Florida limited partnership whose purpose is to provide 80 affordable rental housing units. Each year, Westgate Housing, LLC receives a cash flow distribution and incentive management fee equal to 30% of available cash flow reconciled for the tax period ending December. Westgate Housing, LLC is the Managing Member of Palm Beach County at Westgate, Inc., referred to as General Partner of Westgate Plaza Apartments GP, LLC.

New South Bay Villas, LTD

New South Bay Villas, LLC, and New South Bay Villas LTD were established for the purpose of developing 131 units located in South Bay, Florida. The development project will be known as New South Bay Villas. The development will consist of 66 newly constructed units and 65 rehabilitate units. The new units will be replacing current housing stock of 62 Public Housing, 4 Public Housing that were previously demolished and 65 units purchased with NSP3 Grant funds.

The table below breaks out the transactions with New South Bay Villas, LTD:

	<u>Due From</u>
Accrued Interest Receivable (See Note 3)	\$ 1,034,333
Notes Receivable (See Note 4)	3,360,000
Deferred Developer Fees (See Note 5)	1,176,518
Total	<u>\$ 5,570,851</u>
	<u>Revenues</u>
Interest Income	\$ 248,736
Total	<u>\$ 248,736</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 13 CONDENSED BLENDED COMPONENT UNIT INFORMATION

Condensed component unit information for the Authority's blended component units as listed in Note 1 is presented below. Westgate Housing, LLC, Palm Beach Housing Development, Inc., The SPECTRA Organization, Inc., and Banyan Club Apartments Holding Corporation are included in the reporting entity as blended component units. Westgate Housing, LLC and Palm Beach Housing Development, Inc. entities incurred no or limited activity as of September 30, 2021. The SPECTRA Organization, Inc.'s and Banyan Club Apartment Holdings Corporation financial information is reported as of December 31, 2020.

Condensed Statement of Net Position

	Primary Government	Westgate Housing, LLC	The Spectra Organization Inc.	Banyan Club Apartment Holding Corporation	Total
ASSETS					
Current Assets	\$ 7,776,613	\$ 790	\$ 642,932	\$ 1,085,569	\$ 9,505,904
Capital Assets, Net	11,186,944	-	357,173	2,907,066	14,451,183
Noncurrent Assets	4,536,518	-	-	-	4,536,518
Total Assets	<u>\$ 23,500,075</u>	<u>\$ 790</u>	<u>\$ 1,000,105</u>	<u>\$ 3,992,635</u>	<u>\$ 28,493,605</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Current Liabilities	\$ 1,701,903	\$ -	\$ 91,487	\$ 363,609	\$ 2,156,999
Noncurrent Liabilities	303,302	-	230,194	6,627,753	7,161,249
Total Liabilities	<u>2,005,205</u>	<u>-</u>	<u>321,681</u>	<u>6,991,362</u>	<u>9,318,248</u>
NET POSITION					
Net Investment in Capital Assets	11,186,944	-	102,049	(3,840,597)	7,448,396
Restricted	1,024,474	-	-	444,354	1,468,828
Unrestricted	9,283,452	790	576,375	397,516	10,258,133
Total Net Position	<u>21,494,870</u>	<u>790</u>	<u>678,424</u>	<u>(2,998,727)</u>	<u>19,175,357</u>
Total Liabilities and Net Position	<u>\$ 23,500,075</u>	<u>\$ 790</u>	<u>\$ 1,000,105</u>	<u>\$ 3,992,635</u>	<u>\$ 28,493,605</u>

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

	Primary Government	Westgate Housing, LLC	The Spectra Organization Inc.	Banyan Club Apartment Holding Corporation	Total
OPERATING REVENUE	\$ 43,766,300	\$ 33,709	\$ 781,682	\$ 1,440,625	\$ 46,022,316
OPERATING EXPENSES	<u>43,225,903</u>	<u>33,709</u>	<u>301,169</u>	<u>983,887</u>	<u>44,544,668</u>
INCOME (LOSS) FROM OPERATIONS	540,397	-	480,513	456,738	1,477,648
NONOPERATING REVENUE (EXPENSES)	<u>262,709</u>	<u>-</u>	<u>(17,745)</u>	<u>(295,830)</u>	<u>(50,866)</u>
LOSS BEFORE CAPITAL GRANTS	803,106	-	462,768	160,908	1,426,782
CAPITAL GRANTS	<u>1,608,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,608,290</u>
CHANGE IN NET POSITION	2,411,396	-	462,768	160,908	3,035,072
Net Position - Beginning of Year	<u>19,083,474</u>	<u>790</u>	<u>215,656</u>	<u>(3,159,635)</u>	<u>16,140,285</u>
NET POSITION - END OF YEAR	<u>\$ 21,494,870</u>	<u>\$ 790</u>	<u>\$ 678,424</u>	<u>\$ (2,998,727)</u>	<u>\$ 19,175,357</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 13 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Statement of Cash Flows

	Primary Government	Westgate Housing, LLC	The Spectra Organization Inc.	Banyan Club Apartment Holding Corporation	Total
NET CASH PROVIDED (USED) BY					
Operating Activities	\$ 1,479,468	\$ -	\$ 501,786	\$ 374,731	\$ 2,355,985
Capital and Related Financing Activities	(691,649)	-	(23,152)	(58,745)	(773,546)
Investing Activities	119,955	-	-	(114,814)	5,141
NET INCREASE IN CASH	907,774	-	478,634	201,172	1,587,580
Cash - Beginning of Year	4,831,225	-	137,835	778,605	5,747,665
CASH - END OF YEAR	<u>\$ 5,738,999</u>	<u>\$ -</u>	<u>\$ 616,469</u>	<u>\$ 979,777</u>	<u>\$ 7,335,245</u>

NOTE 14 SUBSEQUENT EVENTS

Subsequent to year-end, the authority received \$687,271 in the second round class action lawsuit settlement against HUD regarding recapture of excess funds during the 2013 fiscal year. The SPECTRA Organization purchased commercial property, including two buildings located at 3333 Forest Hill Blvd, West Palm Beach in May 2022. The Organization purchased the buildings and land for \$10,642,500 and secured a \$9,675,000 mortgage with Valley National Bank at 3.75% interest. The authority will be moving its central office operations to the new building during the 2023 fiscal year.

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Line Item No.	Account Description	Seminole	Dyson	Other	Total AMPs 14.85	PHC Public	Section 8	HCC HCV	Mainstream	MSC	Emergency	Housing	Family	Jobs-Plus	Resident	Community	Central	CCC Central	Business	Blended	Subtotal	Eliminations	Total																						
		Estate Apt. Operating AMP 2	Circle Operating AMP 6			Housing CARES Act Funding 14.PHC	Housing Choice Vouchers 14.871	CARES Act Funding 14.HCC		Mainstream Vouchers 14.879	Emergency Voucher 14.EHV	Opportunities for Person with AIDS 14.241	Self- Sufficiency Program 14.896	Pilot Initiative 14.895	Opportunity and Supportive Services 14.87	Development Block Grants/ Entitlement 14.218	Office Cost Center	Office Cost Center 14.CCC						Developments	Component Unit																				
ASSETS																																													
CURRENT ASSETS																																													
Cash:																																													
111	Unrestricted	\$ 709,392	\$ 920,320	\$ -	\$ 1,629,712	\$ -	\$ 1,108,191	\$ -	\$ 102,893	\$ -	\$ 55,090	\$ -	\$ -	\$ -	\$ -	\$ 1,833	\$ 630,842	\$ -	\$ 123,213	\$ 1,041,269	\$ 4,693,043	\$ -	\$ 4,693,043																						
113	Other - Restricted	506	6,513	-	7,019	-	891,026	360,476	36,859	-	247,581	-	-	-	-	70,684	-	-	-	444,354	2,057,999	-	2,057,999																						
114	Tenant Security Deposits	61,123	34,448	-	95,571	-	-	-	-	-	-	-	-	-	-	5,000	-	-	-	111,413	211,984	-	211,984																						
115	Restricted for Payment of Current Liabilities	44,919	7,578	-	52,497	-	170,972	-	-	-	148,750	-	-	-	-	-	-	-	-	-	372,219	-	372,219																						
100	Total Cash	815,940	968,859	-	1,784,799	-	2,170,189	360,476	139,752	-	451,421	-	-	-	-	77,517	630,842	-	123,213	1,597,036	7,335,245	-	7,335,245																						
Accounts Receivables:																																													
121	Accounts Receivable - PHA Projects	-	-	-	-	-	68,518	-	-	-	-	-	-	-	-	-	1,638	-	-	-	70,156	-	70,156																						
122	Accounts Receivable - HUD Other Projects	87,587	-	-	87,587	22,962	-	-	-	-	-	-	3,287	16,770	2,994	-	-	-	-	-	133,600	-	133,600																						
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-	-	258,236	-	-	-	-	27,500	-	-	-	285,736	-	285,736																						
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	162,587	-	-	-	-	-	-	-	-	-	42,543	-	-	15,705	220,835	-	220,835																						
126	Accounts Receivable - Tenants Dwelling Rents	44,687	18,623	-	63,310	-	1,810	-	-	-	-	-	-	-	-	7,202	-	-	-	32,199	104,521	-	104,521																						
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(4,057)	(536)	-	(4,593)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,850)	(12,443)	-	(12,443)																						
128	Fraud Recovery	3,580	18,938	-	22,518	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,518	-	22,518																						
128.1	Allowance for Doubtful Accounts - Fraud	-	(1,632)	-	(1,632)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,632)	-	(1,632)																						
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,034,333	-	-	-	-	1,034,333	-	1,034,333																						
120	Total Accounts Receivables, Net	131,797	35,393	-	167,190	22,962	232,915	-	-	-	-	258,236	3,287	16,770	2,994	1,041,535	71,681	-	-	40,054	1,857,624	-	1,857,624																						
Other Current Assets:																																													
142	Prepaid Expenses and Other Assets	58,087	28,658	-	86,745	-	44,153	-	5,038	-	-	3,784	-	-	-	2,378	20,049	-	775	66,491	229,413	-	229,413																						
143	Inventories	42,160	18,800	-	60,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,710	86,670	-	86,670																						
143.1	Allowance for Obsolete Inventories	(2,108)	(940)	-	(3,048)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,048)	-	(3,048)																						
144	Interprogram Due from	16,558	6,404	-	22,962	-	-	-	-	-	-	-	-	-	-	-	287,599	-	-	166,537	477,098	(477,098)	-																						
140	Total Other Current Assets	114,697	52,922	-	167,619	-	44,153	-	5,038	-	-	3,784	-	-	-	2,378	307,648	-	167,312	92,201	790,133	(477,098)	313,035																						
150	Total Current Assets	1,062,434	1,057,174	-	2,119,608	22,962	2,447,257	360,476	144,790	-	451,421	262,020	3,287	16,770	2,994	1,121,430	1,010,171	-	290,525	1,729,291	9,983,002	(477,098)	9,505,904																						
NONCURRENT ASSETS																																													
Capital Assets:																																													
161	Land	2,409,760	959,600	-	3,369,360	-	-	-	-	-	-	-	-	-	-	232,894	-	-	1,845,921	199,750	5,647,925	-	5,647,925																						
162	Buildings	16,378,313	9,514,421	-	25,892,734	-	-	-	-	-	-	-	-	-	-	654,229	-	-	-	4,468,732	31,015,695	-	31,015,695																						
163	Furniture, Equipment and Machinery - Dwellings	360,713	269,555	-	630,268	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	630,268	-	630,268																						
164	Furniture, Equipment and Machinery - Administration	705,661	559,956	-	1,265,617	-	195,881	-	-	-	-	-	-	-	-	-	290,433	-	41,906	290,854	2,084,691	-	2,084,691																						
165	Leasehold Improvements	-	250,000	-	250,000	-	-	-	-	-	-	-	-	-	-	-	13,683	-	365,282	628,965	628,965	-	628,965																						
166	Accumulated Depreciation	(14,395,198)	(8,790,472)	-	(23,185,670)	-	(195,881)	-	-	-	-	-	-	-	-	(230,602)	(290,480)	-	(41,906)	(2,060,379)	(26,004,918)	-	(26,004,918)																						
167	Construction in Progress	448,557	-	-	448,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	448,557	-	448,557																						
160	Total Fixed Assets, Net	5,907,806	2,763,060	-	8,670,866	-	-	-	-	-	-	656,521	-	-	-	656,521	13,636	-	1,845,921	3,264,239	14,451,183	-	14,451,183																						
171	Notes, Loans, and Mortgages Receivable - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,360,000	-	-	-	-	3,360,000	-	3,360,000																						
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,176,518	-	1,176,518																							
180	Total Noncurrent Assets	5,907,806	2,763,060	-	8,670,866	-	-	-	-	-	-	-	-	-	-	4,016,521	13,636	-	3,022,439	3,264,239	18,987,701	-	18,987,701																						
190	Total Assets	\$ 6,970,240	\$ 3,820,234	\$ -	\$ 10,790,474	\$ 22,962	\$ 2,447,257	\$ 360,476	\$ 144,790	\$ -	\$ 451,421	\$ 262,020	\$ 3,287	\$ 16,770	\$ 2,994	\$ 5,137,951	\$ 1,023,807	\$ -	\$ 3,312,964	\$ 4,993,530	\$ 28,970,703	\$ (477,098)	\$ 28,493,605																						

**PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2021**

Line Item No.	Account Description	Seminole Estate Apt. Operating AMP 2	Dyson Circle Operating AMP 6	Other Projects	Total AMPs 14.85 14.872	PHC Public Housing CARES Act Funding 14.PHC	Section 8 Housing Choice Vouchers 14.871	HCC HCV CARES Act Funding 14.HCC	Mainstream Vouchers 14.879	MSC Mainstream CARES Act Funding 14.MSC	Emergency Housing Voucher 14.EHV	Housing Opportunities for Person with AIDS 14.241	Family Self-Sufficiency Program 14.896	Jobs-Plus Pilot Initiative 14.895	Resident Opportunity and Supportive Services 14.87	Community Development Block Grants/Entitlement Grants 14.218	Central Office Cost Center 14.800	CCC Central Office Cost Center 14.CCC	Business Activities Developments	Blended Component Unit	Subtotal	Eliminations	Total	
LIABILITIES AND NET POSITION																								
CURRENT LIABILITIES																								
312	Accounts Payable ≤90 Days	177,787	\$ 44,632	\$ -	\$ 222,419	\$ -	\$ 100,213	\$ -	\$ 308	\$ -	\$ 353	\$ 3,983	\$ -	\$ 266	\$ 181	\$ 7,072	\$ 43,176	\$ -	\$ 31,397	\$ 163,951	\$ 573,319	\$ -	\$ 573,319	
321	Accrued Wages/Payroll Taxes Payable	6,910	4,579	-	11,489	-	6,731	-	1,167	-	684	2,211	1,497	1,014	863	124	14,957	-	3,662	-	44,399	-	44,399	
322	Accrued Compensated Absences	15,450	8,332	-	23,782	-	6,049	-	676	-	259	6,058	114	-	-	-	48,573	-	10,045	-	95,556	-	95,556	
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,646	-	24,646	-	24,646
332	Accounts Payable - PHA Projects	-	-	-	-	-	27,037	-	-	-	-	-	-	-	-	-	-	-	-	-	27,037	-	27,037	
333	Accounts Payable - Other Government	69,984	31,074	-	101,058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,058	-	101,058	
341	Tenant Security Deposits	61,123	34,448	-	95,571	-	-	-	-	-	-	-	-	-	-	5,000	-	-	-	-	111,413	-	211,984	
342	Unearned Revenues	6,496	8,831	-	15,327	-	-	360,476	-	-	148,750	-	-	-	-	1,309	-	-	-	-	10,246	-	536,108	
343	Current Portion of LT Debt - Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	144,840	-	144,840	
345	Other Current Liabilities	44,919	6,513	-	51,432	-	170,972	-	-	-	-	-	-	-	-	-	-	-	-	-	222,404	-	222,404	
346	Accrued Liabilities - Other	26,055	13,395	-	39,450	-	134,763	-	-	-	-	-	-	-	-	-	1,435	-	-	-	175,648	-	175,648	
347	Interprogram Due to	-	-	-	-	22,962	-	-	-	-	-	268,483	1,676	15,490	1,950	166,537	-	-	-	-	477,098	(477,098)	-	
310	Total Current Liabilities	408,724	151,804	-	560,528	22,962	445,765	360,476	2,151	-	150,046	280,735	3,287	16,770	2,994	180,042	108,141	-	45,104	455,096	2,634,097	(477,098)	2,156,999	
NONCURRENT LIABILITIES																								
351	Long-Term Debt, Net of Current - Capital Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,857,947	6,857,947	-	6,857,947	
353	Noncurrent Liabilities - Other	506	7,578	-	8,084	-	221,676	-	-	-	-	-	-	-	-	-	-	-	-	-	229,760	-	229,760	
354	Accrued Compensated Absences - Noncurrent	14,486	11,020	-	25,506	-	1,012	-	115	-	23	3,914	-	-	-	-	37,893	-	5,079	-	73,542	-	73,542	
350	Total Noncurrent Liabilities	14,992	18,598	-	33,590	-	222,688	-	115	-	23	3,914	-	-	-	-	37,893	-	5,079	6,857,947	7,161,249	-	7,161,249	
300	Total Liabilities	423,716	170,402	-	594,118	22,962	668,453	360,476	2,266	-	150,069	284,649	3,287	16,770	2,994	180,042	146,034	-	50,183	7,313,043	9,795,346	(477,098)	9,318,248	
NET POSITION																								
508.4	Net Investment in Capital Assets	5,907,806	2,763,060	-	8,670,866	-	-	-	-	-	-	-	-	-	-	656,521	13,636	-	1,845,921	(3,738,548)	7,448,396	-	7,448,396	
511.4	Restricted	-	-	-	-	-	669,350	-	36,859	-	247,581	-	-	-	-	70,684	-	-	-	444,354	1,468,828	-	1,468,828	
512.4	Unrestricted	638,718	866,772	-	1,525,490	-	1,109,454	-	105,665	-	53,771	(22,629)	-	-	-	4,230,704	864,137	-	1,416,860	974,851	10,258,133	-	10,258,133	
513	Total Net Position	6,546,524	3,649,832	-	10,196,356	-	1,778,804	-	142,524	-	301,352	(22,629)	-	-	-	4,957,909	877,773	-	3,262,781	(2,319,513)	19,175,357	-	19,175,357	
600	Total Liabilities and Net Position	\$ 6,970,240	\$ 3,820,234	\$ -	\$ 10,790,474	\$ 22,962	\$ 2,447,257	\$ 360,476	\$ 144,790	\$ -	\$ 451,421	\$ 262,020	\$ 3,287	\$ 16,770	\$ 2,994	\$ 5,137,951	\$ 1,023,807	\$ -	\$ 3,312,964	\$ 4,993,530	\$ 28,970,703	\$ (477,098)	\$ 28,493,605	

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2021

Line Item No.	Account Description	Seminole Estate Apt. Operating AMP 2	Seminole Estate Apt. Capital AMP 2	Dyson Circle Operating AMP 6	Dyson Circle Capital AMP 6	Other Projects Capital	Total AMPs 14.850 14.872	PHC Public Housing CARES Act Funding 14.PHC	Section 8 Housing Choice Vouchers 14.871	HCC HCV CARES Act Funding 14.HCC	Mainstream Vouchers 14.879	MSC CARES Act Funding 14.MSC	Emergency Housing Voucher 14.EHV	Housing Opportunities for Person with AIDS 14.241	Family Self-Sufficiency Program 14.896	Jobs-Plus Pilot Initiative 14.895	Resident Opportunity and Supportive Services 14.87	Community Development Block Grants/ Entitlement 14.218	Central Office Cost Center	CCC Central Office Cost Center 14.CCC	Business Activities Developments	Blended Component Unit	Subtotal	Eliminations	Total			
REVENUE																												
Tenant Revenue:																												
70300	Net Tenant Rental Revenue	\$ 813,973	\$ -	\$ 373,387	\$ -	\$ -	\$ 1,187,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,613	\$ -	\$ -	\$ -	\$ 1,579,869	\$ 2,862,842	\$ -	\$ 2,862,842			
70400	Tenant Revenue - Other	8,629	-	9,927	-	-	1,205,916	-	-	-	-	-	-	-	-	-	-	96,163	-	-	-	1,588,622	2,850,701	-	2,850,701			
70500	Total Tenant Revenue	822,602	-	383,314	-	-	1,205,916	-	-	-	-	-	-	-	-	-	-	96,163	-	-	-	1,588,622	2,850,701	-	2,850,701			
70600	HUD PHA Grants	874,686	110,168	610,084	33,832	27,565	1,656,335	63,496	31,155,429	1,016,491	2,438,818	39,982	318,316	2,915,310	64,201	16,770	10,942	-	-	-	-	-	-	-	39,696,090	-	39,696,090	
70910	HUD PHA Capital Grants	-	1,383,575	-	224,715	-	1,608,290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,608,290	-	1,608,290
Fee Revenue:																												
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	806,223	-	-	-	806,223	(806,223)	-			
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,360	-	-	-	51,360	(51,360)	-			
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	264,315	-	-	-	264,315	(264,315)	-			
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,121,898	-	-	-	1,121,898	(1,121,898)	-			
71100	Investment Income - Unrestricted	767	-	737	-	-	1,504	-	1,900	-	114	-	50	-	-	-	-	248,743	499	-	113	954	253,877	-	253,877			
71400	Fraud Recovery	567	-	-	-	-	567	-	1,058	-	-	-	-	-	-	-	-	-	-	-	-	-	1,625	-	1,625			
71500	Other Revenue	22,314	-	4,514	-	-	26,828	-	2,097,181	-	-	-	-	-	-	-	-	8,250	533,836	-	198,996	666,440	3,531,531	(110,005)	3,421,526			
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	169	-	-	-	-	-	-	-	-	-	8,663	-	-	-	8,663	-	8,663			
70000	Total Revenue	1,720,936	1,493,743	998,649	258,547	27,565	4,999,440	63,496	33,255,737	1,016,491	2,438,932	39,982	318,366	2,915,310	64,201	16,770	10,942	353,156	1,664,896	-	199,109	2,256,016	49,112,844	(1,231,903)	47,880,941			
EXPENSES																												
Administrative:																												
91100	Administrative Salaries	133,943	-	72,702	-	-	206,645	30,221	240,838	142,858	1,693	26,378	147	70,612	-	-	-	59	739,347	-	213,123	-	1,671,921	-	1,671,921			
91200	Auditing Fees	4,435	-	1,992	-	-	6,427	-	10,710	-	643	-	-	1,285	-	-	-	214	1,499	-	643	29,126	50,547	-	50,547			
91300	Management Fee	247,106	1,015	115,617	-	27,565	391,303	-	335,448	-	27,324	-	108	-	-	-	-	9,323	-	-	-	148,792	912,298	(806,223)	106,075			
91310	Book-Keeping Fee	25,796	-	11,730	-	-	37,516	-	209,653	-	17,078	-	68	-	-	-	-	-	-	-	-	-	264,315	(264,315)	-			
91400	Advertising and Marketing	11,212	-	4,107	-	-	15,319	-	5,647	-	75	-	-	-	-	-	-	-	-	-	3,100	1,307	31,976	-	31,976			
91500	Employee Benefit Contributions - Administrative	52,217	-	12,466	-	-	64,683	2,313	61,170	24,765	243	6,540	46	19,648	-	-	-	4	237,442	-	-	54,172	471,026	-	471,026			
91600	Office Expenses	133,055	13,204	52,890	5,342	-	204,291	-	270,618	-	25,172	-	1,196	18,926	-	-	3,595	1,169	186,450	-	-	7,653	164,974	884,044	(38,931)	845,113		
91700	Legal Expense	750	-	3,440	-	-	4,190	-	4,625	-	-	-	-	-	-	-	-	4,175	2,698	-	-	442	33,127	74,194	642,137			
91900	Other	58,398	58,540	22,900	5,615	-	145,453	30,962	134,351	176,726	5,473	-	-	1,110	-	-	-	557	442	-	-	33,127	74,194	642,137				
91000	Total Operating - Administrative	666,902	72,768	297,644	10,957	27,565	1,075,836	63,496	1,273,060	344,349	77,701	32,918	1,565	111,581	-	4,208	-	15,366	1,213,640	-	311,816	418,393	4,943,951	(1,109,469)	3,834,482			
92000	Asset Management Fee	35,280	-	16,080	-	-	51,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,360	(51,360)	-			
Tenant Services:																												
92100	Tenant Services - Salaries	17,332	-	7,529	-	-	24,861	-	27,857	-	-	-	-	57,194	54,925	10,617	9,949	-	-	-	-	-	-	185,403	-	185,403		
92300	Employee Benefit Contributions - Tenant Services	4,239	-	1,850	-	-	6,089	-	3,414	-	-	-	-	8,236	7,672	1,700	3,414	-	-	-	-	-	-	30,225	-	30,225		
92400	Tenant Services - Other	4,335	-	1,950	-	-	6,285	-	-	-	-	7,064	-	-	-	-	-	-	81,057	-	-	-	-	84,406	-	84,406		
92500	Total Tenant Services	25,906	-	11,329	-	-	37,235	-	31,271	-	-	7,064	-	65,430	62,597	12,317	10,712	-	83,408	-	-	-	310,034	-	310,034			
Utilities:																												
93100	Water	24,730	-	14,085	-	-	38,815	-	4,972	-	487	-	-	-	-	-	-	-	3,197	-	-	412	4,421	52,304	-	52,304		
93200	Electricity	34,205	-	16,023	-	-	50,228	-	4,933	-	385	-	-	-	-	-	-	421	9,251	-	336	17,627	83,181	-	83,181			
93600	Sewer	29,324	-	19,366	-	-	48,690	-	1,713	-	144	-	-	-	-	-	-	276	1,096	-	128	5,153	57,200	-	57,200			
93000	Total Utilities	88,259	-	49,474	-	-	137,733	-	11,618	-	1,016	-	-	-	-	-	-	697	13,544	-	876	27,201	192,685	-	192,685			
Ordinary Maintenance and Operation:																												
Ordinary Maintenance and Operations - Labor																												
94100	Ordinary Maintenance and Operations - Labor	159,178	-	97,867	-	-	257,045	-	-	-	-	-	-	-	-	-	-	54	88,453	-	-	-	345,552	-	345,552			
94200	Ordinary Maintenance and Operations - Material and Other	144,025	-	53,937	-	-	197,962	-	919	-	-	-	-	-	-	-	-	567	2,857	-	3	49,984	252,292	-	252,292			
94300	Ordinary Maintenance and Operations - Contract Costs	376,273	37,400	196,716	22,875	-	633,264	-	18,070	-	518	-	3	305	-	-	-	34,942	35,357	-	1,304	436,684	1,160,447	(37,365)	1,123,082			
94500	Employee Benefit Contributions - Ordinary Maintenance	64,553	-	25,677	-	-	90,230	-	-	-	-	-	-	-	-	-	-	4	32,354	-	-	-	122,588	-	122,588			
94000	Total Ordinary Maintenance and Operation	744,029	37,400	374,197	22,875	-	1,178,501	-	18,989	-	518	-	3	305	-	-	-	35,567	159,021	-	1,307	486,668	1,880,879	(37,365)	1,843,514			
Insurance Premiums:																												
96110	Property Insurance	84,726	-	40,658	-	-	125,384	-	-	-	-	-	-	-	-	-	-	7,944	-	-	-	-	66,954	200,282	-	200,282		
96120	Liability Insurance	19,241	-	7,908	-	-	27,149	-	13,070	-	657	-	-	870	-	-	-	302	7,700	-	-	-	14,229	64,946	-	64,946		
96130	Workers' Compensation	9,563	-	4,710	-	-	14,273	-	10,223	-	695	-	16	3,082	1,045	245	230	3	19,432	-	-	5,063	-	51,225	-	51,225		
96140	All Other Insurance	8,680	-	2,640	-	-	11,320	-	-	-	-	-	-	-	-	-	-	-	5,677	-	-	-	40,281	60,360	-	60,360		
96100	Total Insurance Premiums	122,210	-	55,916	-	-	178,126	-	23,293	-	1,352	-	16	3,952	1,045	245	230	8,249	32,809	-	-	6,032	121,464	376,813	-	376,813		
Other General Expenses:																												
96200	Other General Expenses	68,445	-	25,560	-	-	94,005	-	-	-	-	-	-	-	-	-	-	985	-	-	-	-	112,757	207,747	(33,709)	174,038		
96210	Compensated Absences	18,354	-	9,046	-	-	27,400	-	8,718	-	1,284	-	758	6,739	559	-	-	-	55,997	-	-	10,104	-	111,559	-	111,559		
96300	Payments in Lieu of Taxes	69,984	-	31,074	-	-	101,058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,058	-	101,058			
96400	Bad Debt - Tenant Rents	13,337	-	14,289	-	-	27,626	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,626	-	27,626			
96000	Total Other General Expenses	170,120	-	79,969	-	-	250,089	-	8,718	-	1,284	-	758	6,739	559	-	-	985	55,997	-	-	10,104	112,757	447,990	(33,709)	414,281		

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

Line Item No.	Account Description	Seminole Estate Apt. Operating AMP 2	Seminole Estate Apt. Operating AMP 2	Dyson Circle Operating AMP 6	Dyson Circle Operating AMP 6	Other Projects Capital	Total AMPs 14.85	PHC Public Housing CARES Act Funding 14.PHC	Section 8 Housing Choice Vouchers 14.871	HCC HCV CARES Act Funding 14.HCC	Mainstream Vouchers 14.879	MSC Mainstream CARES Act Funding 14.MSC	Emergency Housing Voucher 14.EHV	Housing Opportunities for Person with AIDS 14.241	Family Self-Sufficiency Program 14.896	Jobs-Plus Pilot Initiative 14.895	Resident Opportunity and Supportive Services 14.87	Community Development Block Grants/Entitlement 14.218	Central Office Cost Center	CCC Central Office Cost Center 14.CCC	Business Activities Developments	Blended Component Unit	Subtotal	Eliminations	Total	
EXPENSES (CONTINUED)																										
96710	Interest Expense and Amortization Cost																									
96700	Interest on Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
96900	Total Operating Expenses	1,852,706	1,101,168	884,609	33,832	27,565	2,908,880	63,496	1,366,949	344,349	81,871	39,982	2,342	188,007	64,201	16,770	10,942	60,884	1,558,419	-	330,137	1,480,058	8,517,287	(1,231,903)	7,285,384	
97000	Excess Operating Revenue Over Operating Expenses	(131,770)	1,383,575	114,040	224,715	-	1,590,560	-	31,888,788	672,142	2,357,061	-	316,024	2,727,303	-	-	-	292,272	106,477	-	(131,028)	775,958	40,595,557	-	40,595,557	
Other Expenses:																										
97300	Housing Assistance Payments	-	-	-	-	-	-	-	28,909,337	672,142	2,412,351	-	14,672	2,755,311	-	-	-	-	-	-	-	-	-	-	-	
97350	HAP Portability-In	-	-	-	-	-	-	-	1,979,861	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97400	Depreciation Expense	424,202	65,872	79,604	111,664	-	681,342	-	368	-	-	-	-	-	-	-	-	21,808	1,011	-	-	-	152,282	856,811	-	856,811
97400	Total Other Expenses	424,202	65,872	79,604	111,664	-	681,342	-	30,889,566	672,142	2,412,351	-	14,672	2,755,311	-	-	-	21,808	1,011	-	-	-	152,282	37,600,485	-	37,600,485
90000	Total Expenses	2,276,908	1,760,400	964,213	145,496	27,565	3,590,222	63,496	32,256,515	1,016,491	2,494,222	39,982	17,014	2,943,318	64,201	16,770	10,942	82,692	1,559,430	-	330,137	1,632,340	46,117,772	(1,231,903)	44,885,869	
OTHER FINANCING SOURCES (USES)																										
10070	Extraordinary Items, Net Gain/Loss	40,000	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10100	Total Other Financing Sources (Uses)	40,000	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(515,972)	1,317,703	34,436	113,051	-	949,218	-	999,222	-	(55,290)	-	301,352	(28,008)	-	-	-	270,464	105,466	-	(131,028)	623,676	3,035,072	-	3,035,072	
11030	Beginning Equity	5,404,976	339,817	2,917,790	584,555	-	9,247,138	-	779,582	-	197,814	-	-	5,379	-	-	-	4,687,445	772,307	-	3,393,809	(2,943,189)	16,140,285	-	16,140,285	
NET POSITION - END OF YEAR		\$ 4,889,004	\$ 1,657,520	\$ 2,952,226	\$ 697,606	\$ -	\$ 10,196,356	\$ -	\$ 1,778,804	\$ -	\$ 142,524	\$ -	\$ 301,352	\$ (22,629)	\$ -	\$ -	\$ -	\$ 4,957,909	\$ 877,773	\$ -	\$ 3,262,781	\$ (2,319,513)	\$ 19,175,357	\$ -	\$ 19,175,357	
11020	Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11170	Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,109,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11180	Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 669,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11190	Unit Months Available	3,528	-	1,808	-	-	5,136	-	29,687	-	2,955	-	255	2,890	-	-	-	72	-	-	-	-	1,900	42,785	-	42,785
11210	Number of Unit Months Leased	3,438	-	1,564	-	-	5,002	-	27,954	-	2,277	-	9	2,774	-	-	-	63	-	-	-	-	1,761	39,860	-	39,860
11270	Excess Cash	\$ 400,673	\$ -	\$ 778,622	\$ -	\$ -	\$ 1,179,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11620	Building Purchases	\$ 265,743	\$ 1,383,576	\$ -	\$ 12,379	\$ -	\$ 1,661,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11640	Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ -	\$ 203,422	\$ -	\$ 203,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11650	Leasehold Improvements Purchases	\$ -	\$ -	\$ -	\$ 8,914	\$ -	\$ 8,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION
BLENDED COMPONENT UNIT
SEPTEMBER 30, 2021

Line Item No.	Account Description	Westgate Housing LLC	The SPECTRA Organization, Inc.	Banyan Club Apartments Holding Corporation	Total Blended Component Unit
CURRENT ASSETS					
Cash:					
111	Unrestricted	\$ 790	\$ 616,469	\$ 424,010	\$ 1,041,269
113	Other - Restricted	-	-	444,354	444,354
114	Tenant Security Deposits	-	-	111,413	111,413
100	Total Cash	790	616,469	979,777	1,597,036
Accounts Receivables:					
125	Accounts Receivable - Miscellaneous	-	15,705	-	15,705
126	Accounts Receivable - Tenants Dwelling Rents	-	-	32,199	32,199
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	(7,850)	(7,850)
120	Total Accounts Receivables, Net	-	15,705	24,349	40,054
Other Current Assets:					
142	Prepaid Expenses and Other Assets	-	10,758	55,733	66,491
143	Inventories	-	-	25,710	25,710
140	Total Other Current Assets	-	10,758	81,443	92,201
150	Total Current Assets	790	642,932	1,085,569	1,729,291
NONCURRENT ASSETS					
Capital Assets:					
161	Land	-	199,750	-	199,750
162	Buildings	-	1,140,919	3,327,813	4,468,732
164	Furniture, Equipment and Machinery - Administration	-	244,274	46,580	290,854
165	Leasehold Improvements	-	-	365,282	365,282
166	Accumulated Depreciation	-	(1,227,770)	(832,609)	(2,060,379)
160	Total Fixed Assets, Net	-	357,173	2,907,066	3,264,239
190	Total Assets	\$ 790	\$ 1,000,105	\$ 3,992,635	\$ 4,993,530
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
312	Accounts Payable ≤90 Days	\$ -	\$ 66,371	\$ 97,580	\$ 163,951
322	Accrued Interest Payable	-	186	24,460	24,646
332	Tenant Security Deposits	-	-	111,413	111,413
341	Unearned Revenues	-	-	10,246	10,246
342	Current Portion of LT Debt - Capital Projects	-	24,930	119,910	144,840
343	Accrued Liabilities - Other	-	-	-	-
346	Total Current Liabilities	-	91,487	363,609	455,096
310	NONCURRENT LIABILITIES				
	Long-Term Debt, Net of Current - Capital Project	-	230,194	6,627,753	6,857,947
351	Total Noncurrent Liabilities	-	230,194	6,627,753	6,857,947
350	Total Liabilities	-	321,681	6,991,362	7,313,043
300	NET POSITION				
	Net Investment in Capital Assets	-	102,049	(3,840,597)	(3,738,548)
508.4	Restricted	-	-	444,354	444,354
511.4	Unrestricted	790	576,375	397,516	974,681
512.4	Total Net Position	790	678,424	(2,998,727)	(2,319,513)
513	Total Liabilities and Net Position	\$ 790	\$ 1,000,105	\$ 3,992,635	\$ 4,993,530
600					

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION – BLENDED COMPONENT UNIT
YEAR ENDED SEPTEMBER 30, 2021

Line Item No.	Account Description	Westgate Housing LLC	The SPECTRA Organization, Inc.	Banyan Club Apartments Holding Corporation	Total Blended Component Unit
REVENUE					
Tenant Revenue:					
70300	Net Tenant Rental Revenue	\$ -	\$ 155,604	\$ 1,424,265	\$ 1,579,869
70400	Tenant Revenue - Other	-	-	8,753	8,753
70500	Total Tenant Revenue	-	155,604	1,433,018	1,588,622
71100	Investment Income - Unrestricted	-	-	954	954
71500	Other Revenue	33,709	626,078	6,653	666,440
70000	Total Revenue	33,709	781,682	1,440,625	2,256,016
EXPENSES					
Administrative:					
91200	Auditing Fees	-	10,663	18,463	29,126
91300	Management Fee	-	78,539	70,253	148,792
91400	Advertising and Marketing	-	175	1,132	1,307
91600	Office Expenses	-	-	164,974	164,974
91900	Other	-	73,064	1,130	74,194
91000	Total Operating - Administrative	-	162,441	255,952	418,393
Utilities:					
93100	Water	-	-	4,421	4,421
93200	Electricity	-	1,730	15,897	17,627
93600	Sewer	-	-	5,153	5,153
93000	Total Utilities	-	1,730	25,471	27,201
Ordinary Maintenance and Operation:					
94200	Ordinary Maintenance and Operations - Material and Other	-	6,345	43,639	49,984
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	436,684	436,684
94000	Total Ordinary Maintenance and Operation	-	6,345	480,323	486,668
Insurance Premiums:					
96110	Property Insurance	-	16,610	50,344	66,954
96120	Liability Insurance	-	7,025	7,204	14,229
96140	All Other Insurance	-	9,577	30,704	40,281
96100	Total Insurance Premiums	-	33,212	88,252	121,464
Other General Expenses:					
96200	Other General Expenses	33,709	79,048	-	112,757
96400	Bad Debt - Tenant Rents	-	-	-	-
96000	Total Other General Expenses	33,709	79,048	-	112,757
Interest Expense and Amortization Cost					
96710	Interest on Mortgage (or Bonds) Payable	-	17,745	295,830	313,575
96700	Total Interest Expense and Amortization Cost	-	17,745	295,830	313,575

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION – BLENDED COMPONENT UNIT (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

Line Item No.	Account Description	Westgate Housing LLC	The SPECTRA Organization, Inc.	Banyan Club Apartments Holding Corporation	Total Blended Component Unit
96900	Total Operating Expenses	\$ 33,709	\$ 300,521	\$ 1,145,828	\$ 1,480,058
97000	Excess Operating Revenue Over Operating Expenses	-	481,161	294,797	775,958
	Other Expenses:				
97400	Depreciation Expense	-	18,393	133,889	152,282
	Total Other Expenses	-	18,393	133,889	152,282
90000	Total Expenses	33,709	318,914	1,279,717	1,632,340
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-	462,768	160,908	623,676
11030	Beginning Equity	790	215,656	(3,159,635)	(2,943,189)
	NET POSITION - END OF YEAR	\$ 790	\$ 678,424	\$ (2,998,727)	\$ (2,319,513)



**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
Palm Beach County Housing Authority
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Palm Beach County Housing Authority (the Authority), as of and for the year ended September 30, 2021, 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 30, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 from 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 financial statements. 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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
June 30, 2022



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

Board of Commissioners
Palm Beach County Housing Authority
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program

We have audited Palm Beach County Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2021. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Authority's compliance.

Basis for Qualified Opinion on ALN 14.871 and 14.879 – Housing Choice Voucher Cluster

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding ALN 14.871 and 14.879 Housing Choice Voucher Cluster as described in findings numbers: 2021-001 for Eligibility and 2021-002, 2020-003, and 2020-004 for Special Tests Compliance. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Qualified Opinion on ALN 14.871 and 14.879 – Housing Choice Voucher Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Housing Choice Voucher Cluster for the year ended September 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-005. Our opinion on each major federal program is not modified with respect to these matters.

The Authority's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003, 2021-004 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-005 to be significant deficiencies.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Lakeland, Florida
June 30, 2022

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Grant Expenditures
DIRECT FEDERAL ASSISTANCE				
<u>U.S. Department of Housing and Urban Development</u>				
<u>Housing Choice Voucher Cluster:</u>				
Section 8 Housing Choice Vouchers Program	14.871	N/A	\$ -	\$ 31,155,429
COVID-19 - HCV CARES Act Funding	14.871	N/A	-	1,016,491
Mainstream	14.879	N/A	-	2,438,818
COVID-19 - Mainstream CARES Act Funding	14.879	N/A	-	39,982
Emergency Housing Vouchers	14.871	N/A	-	318,316
Total Housing Choice Voucher Cluster			<u>-</u>	<u>34,969,036</u>
Public and Indian Housing	14.850	N/A	-	1,484,770
COVID-19 - Public Housing CARES Act Funding	14.850	N/A	-	63,496
Total Public and Indian Housing Funds			<u>-</u>	<u>1,548,266</u>
Public Housing Capital Fund Program	14.872	N/A	-	1,779,855
Jobs-Plus Pilot Initiative	14.895	N/A	-	16,770
Resident Opportunity and Supportive Services	14.870	N/A	-	10,942
PIH Family Self-Sufficiency Program	14.896	N/A	-	64,201
Total Expenditures of Direct Federal Awards				38,389,070
INDIRECT FEDERAL ASSISTANCE				
<u>U.S. Department of Housing and Urban Development</u>				
Pass through City of West Palm Beach				
Housing Opportunities for Persons with AIDS	14.241	22409.002	-	2,915,310
Total Expenditures of Indirect Federal Awards			<u>-</u>	<u>2,915,310</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 41,304,380</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

Expenditures reported on the Schedule are reported on the (identify basis of accounting) basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 2 INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 HOUSING CHOICE VOUCHER CLUSTER

The Authority received a total of \$34,969,036 in Housing Choice Voucher Cluster funding.

This was comprised of the following amounts:

- \$31,155,429 in Section 8 Housing Choice Voucher Program (AL 14.871)
- \$1,016,491 in COVID-19 HCV CARES Act Funding (AL 14.871),
- \$2,438,818 in Mainstream Voucher Program (AL 14.879)
- \$39,982 in COVID-19 Mainstream CARES Act Funding (AL 14.879)
- \$318,316 in Emergency Housing Vouchers (AL 14.871)

The Authority reported a total of \$35,824,224 in expenditures on a full accrual basis for the Section 8 Housing Choice Voucher Program. The expenditures were paid with federal and nonfederal funds. The expenditures were the following:

- \$32,256,515 in Section 8 Housing Choice Voucher Program (AL 14.871)
- \$1,016,491 in COVID-19 HCV CARES Act Funding (AL 14.871),
- \$2,494,222 in Mainstream Voucher Program (AL 14.879)
- \$39,982 in COVID-19 Mainstream CARES Act Funding (AL 14.879)
- \$17,014 in Emergency Housing Vouchers (AL 14.871)

The Authority reported \$1,979,861 in Port-In expenses during the fiscal year.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 4 PUBLIC AND INDIAN HOUSING

The Authority received \$1,484,770 in federal funding for the Public and Indian Housing Program (AL 14.850) and \$63,496 of CARES Act funding for the Public and Indian Housing Program (AL 14.850) during the year. The Authority reported \$3,241,121 and \$63,496 in expenditures on a full accrual basis for the Public and Indian Housing Program and CARES Act for the Public and Indian Housing Program during the year. Expenses were paid for by current year HUD funding, tenant rent, other sources of Public Housing revenue, and prior year reserves.

NOTE 5 HOUSING OPPORTUNITIES FOR PERSON WITH AIDS

The Authority received \$2,915,310 in federal funding passed through the City of West Palm Beach for the Housing Opportunities for Persons with AIDS (HOPWA) (AL 14.241) during the year. The Authority reported \$2,943,318 in expenditures on a full accrual basis for HOPWA during the year. Expenses were paid for by current year HUD funding and prior year reserves.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? _____ Yes X No
 - Significant deficiency identified? _____ Yes X None Reported
3. Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

1. Internal control over major federal programs:
- Material weaknesses identified? X Yes _____ No
 - Significant deficiencies identified? X Yes _____ None Reported
2. Type of auditors’ report issued on compliance for major federal programs: Qualified for Housing Choice Voucher Cluster (ALN 14.871 and 14.879), Unmodified for Housing Opportunities for Person with AIDS (ALN 14.241) and Unmodified for Public Housing Capital Fund (ALN 14.872)
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes _____ No

Identification of Major Federal Programs

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
14.871	<u>Housing Choice Voucher Cluster</u>
14.879	Section 8 Housing Choice Vouchers
	Mainstream Vouchers
14.872	Public Housing Capital Fund (CFP)
14.241	Housing Opportunities for Person with AIDS (HOPWA)

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,239,131

Auditee qualified as low-risk auditee? _____ Yes X No

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Finding 2021 – 001 – Eligibility

Federal agency: U.S. Department of Housing and Urban Development
 Federal program title: Housing Choice Voucher Cluster
 Assistance Listing Numbers: 14.871 and 14.879
 Award Period: October 1, 2020 to September 30, 2021
 Type of Finding: Material Weakness in Internal Control over Compliance,
Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The Authority must complete form HUD-50058 for each Housing Choice Voucher (HCV) and Mainstream Voucher tenant. Form HUD-50058 is used to determine a tenant’s eligibility and also determine the tenants’ portion of rent and the Authority’s portion of the rent.

For both family income examinations and reexaminations, obtain and document in the family file third-party verification of (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 982.516).

Determine income eligibility and calculated the tenant’s rent payment using the documentation from third-party verification in accordance with 24 CFR part 5 subpart F (24 CFR section 5.601 et seq.)(24 CFR sections 982.201, 982.515, and 982.516).

Condition: During testing of tenant files, certain eligibility and reporting compliance deficiencies were noted as summarized below:

Number of Instances	Finding
13	Where the Authority was unable to provide a tenant file to review

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021 – 001 – Eligibility

Of the files the Authority was able to provide. The files contained the following compliance deficiencies:

Number of Instances	Finding
20	Where the file was missing the Section 214 Declaration for family members
35	Where the income, assets, or expenses calculated on the 50058 was not supported
21	Where the Authority did not review the information on an annual basis
25	Where the file was missing the HUD-9886 authorization form
28	Where the file was missing the Authority general release form
6	Where the HAP information from the 50058 did not agree to support
36	Where the HAP Contract could not be verified to supporting documents
47	Where the Housing Choice Voucher’s tenant file was missing the preparer checklist that is utilized as an internal control to ensure all required elements are in the tenant file
6	Where the Emergency Housing Voucher’s tenant file was missing the preparer checklist that is utilized as an internal control to ensure all required elements are in the tenant file

Questioned costs: Undeterminable.

Context: Out of 60 housing choice vouchers and mainstream tenant files tested, 60 tenant files contained errors as noted above. In addition, we tested 6 emergency housing vouchers, 6 emergency housing voucher tenant files contained errors as noted above. The sample was a statistically valid sample.

Cause: The Authority failed to provide adequate monitoring and oversight to ensure compliance with HUD rules and regulations.

Effect: The Authority is not in compliance with federal regulations regarding the calculation of the rent and verification of the tenants’ income.

Repeat Finding: This is a repeat finding from previous years. The finding numbers are 2017-001, 2018-001, 2019-001, and 2020-001.

Recommendation: We recommend management designate one person to review a sample of tenant files each month, to determine if the tenant files were prepared in accordance with internal policies.

Views of responsible officials: There is no disagreement with the audit finding.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021 – 002 – HQS Enforcements

Federal agency: U.S. Department of Housing and Urban Development
 Federal program title: Housing Choice Voucher Cluster
 Assistance Listing Numbers: 14.871 and 14.879
 Award Period: October 1, 2020 to September 30, 2021
 Type of Finding: Material Weakness in Internal Control over Compliance,
Material Noncompliance (Modified Opinion)

Criteria or specific requirement: For units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must abate HAP payments beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. The owner is not responsible for a breach of HQS as a result of the family’s failure to pay for utilities for which the family is responsible under the lease or for tenant damage. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations (24 CFR sections 982.158(d) and 982.404). In addition, all HCV units are required to be inspected annually.

Condition: During the testing of the Housing Choice Voucher Program tenant files, certain special provision compliance deficiencies were noted as summarized below:

HQS Enforcement

Number of Instances	Finding
5	Where the passed inspection reports were missing and could not verify if the payments were properly abated for the units.
3	Where the re-inspections were not completed within 30 calendar days of the initial failed inspection.
8	Where the Authority did not abate the HAP payments properly after the second failed inspection.

Questioned costs: \$15,720

Context: Out of 60 failed inspections 13 tenant files contained errors as noted above. The sample was a statistically valid sample.

Cause: The Authority does not have adequate procedures in place to ensure units are re-inspected timely and to ensure that units with housing quality standard deficiencies are not paid housing assistance payments.

Effect: The Authority is not in compliance with federal regulations regarding minimum housing quality standards and was paying housing assistance for units that did not meet these standards.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021 – 002 – HQS Enforcements

Repeat Finding: This is a repeat finding from previous years. The finding numbers are 2017-002, 2018-002, 2019-002, and 2020-002.

Recommendation: We recommend management should designate one person to oversee the inspection process to ensure that all inspections are being performed in a timely manner. Furthermore, management should ensure no HAP payments are issued for units that have not passed HQS housing inspections.

Views of responsible officials: There is no disagreement with the audit finding.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021 – 003 – Rent Reasonableness

Federal agency: U.S. Department of Housing and Urban Development
 Federal program title: Housing Choice Voucher Cluster
 Assistance Listing Numbers: 14.871 and 14.879
 Award Period: October 1, 2020 to September 30, 2021
 Type of Finding: Material Weakness in Internal Control over Compliance,
Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The PHA must determine that the rent to owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract: (a) before any increase in the rent to owner, and (b) at the HAP contract anniversary if there is a five percent decrease in the published Fair Market Rent in effect 60 days before the HAP contract anniversary. The PHA must maintain records to document the basis for the determination that rent to owner is a reasonable rent (initially and during the term of the HAP contract) (24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507).

Condition: During the testing of the Housing Choice Voucher Program tenant files, certain special provision compliance deficiencies were noted as summarized below:

Number of Instances	Finding
22	Where the rent reasonableness information was missing
9	Where the reasonable rent was approved after the effective date

Questioned costs: Undeterminable

Context: During our testing, we reviewed 107 tenant files that required a rent reasonableness; 29 tenant files contained errors as noted above. The sample was a statistically valid sample.

Cause: The Authority failed to determine the reasonableness of the rent being charged before the effective date of the tenant file.

Effect: The Authority is not in compliance with federal regulations regarding the determination of reasonable rent. Inaccurate data could cause Authority to be paying an unfair rent to a landlord.

Repeat Finding: This is a repeat finding from previous years. The finding numbers are 2017-003, 2018-003, 2019-003, and 2020-003.

Recommendation: We recommend that the Authority designate an individual to review tenant files to determine if a rent reasonableness has been performed.

Views of responsible officials: There is no disagreement with the audit finding.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021 – 004 – Selection from the Waiting List

Federal agency: U.S. Department of Housing and Urban Development
 Federal program title: Housing Choice Voucher Cluster
 Assistance Listing Numbers: 14.871 and 14.879
 Award Period: October 1, 2020 to September 30, 2021
 Type of Finding: Material Weakness in Internal Control over Compliance,
Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The PHA must have written policies in its HCVP administrative plan for selecting applicants from the waiting list and PHA documentation must show that the PHA follows these policies when selecting applicants for admission from the waiting list. Except as provided in 24 CFR section 982.203 (Special admission (non-waiting list)), all families admitted to the program must be selected from the waiting list. "Selection from the waiting list generally occurs when the PHA notifies a family whose names reaches the top of the waiting list to come in to verify eligibility for admission (24 CFR sections 5.410, 982.54(d), and 982.201 through 982.207).

Condition: During the testing of the Housing Choice Voucher Program tenant files, certain special provision compliance deficiencies were noted as summarized below:

Waiting List New Tenants

Number of Instances	Finding
2	Where the Authority was unable to provide a tenant file to review

Of the files the Authority was able to provide. The files contained the following compliance deficiencies:

Number of Instances	Finding
1	Where the tenant file did not contain the tenant voucher
12	Where the tenant file did not contain the tenant application
13	Where the tenant file did not contain the letter notifying them they had had been accepted into the Housing Choice Voucher Program

Tenant Selected from the Waiting List

Number of Instances	Finding
43	Where the Authority did not properly follow their administrative plan in regarding to removing tenants from the waiting listing
1	Where the Authority was not able to provide documentation showing that the tenant has been properly removed from the waitlist

Questioned costs: Undeterminable

Context: Out of 17 new tenant files tested, 15 contained the errors noted above. Out of 60 tenants selected from the waiting list files tested, 43 files contained the errors noted above. The sample was a statistically valid sample.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021 – 004 – Selection from the Waiting List (Continued)

Cause: The Authority failed to provide adequate monitoring and oversight of their waiting list to ensure compliance with HUD rules and regulations.

Effect: The Authority may have tenants on the waiting list that are not eligible for an HCVP voucher, are no longer interested in the HCVP housing, or have moved away.

Repeat Finding: This is a repeat finding from previous years. The finding numbers are 2018-008, 2019-007, and 2020-005.

Recommendation: We recommend that the Authority designate an individual to maintain the waiting list and track all correspondence with potential tenants.

Views of responsible officials: There is no disagreement with the audit finding.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021 – 005 – Eligibility (Housing Opportunities for Person with AIDS)

Federal agency: U.S. Department of Housing and Urban Development
 Federal program title: Housing Opportunities for Person with AIDS (HOPWA)
 Assistance Listing Number: 14.241
 Pass-Through Agency: City of West Palm Beach, FL
 Award Period: October 1, 2020 to September 30, 2021
 Type of Finding: Significant Deficiency in Internal Control over Compliance,
Noncompliance (Other Matters)

Criteria or specific requirement: A person eligible for assistance under this program means a person with HIV or AIDS who is a low-income individual and the person's family, including persons important to their care or well-being, as defined in 24 CFR section 574.3. The eligibility of those tenants who were admitted to the program should be determined by (1) obtaining applications that contain all the information needed to determine eligibility, including diagnosis, documentation of housing need, income, rent and order of selection; and (2) obtaining third-party verifications or documentation of expected income, assets, unusual medical expenses, and any other pertinent information.

Condition: During the testing of the Housing Opportunities for Person with AIDS (HOPWA) files, certain eligibility deficiencies were noted as summarized below:

Number of Instances	Finding
2	Where the tenant file did not contain current proof of income for the recertification date.
3	Where the annual inspection was not performed within a year
10	Where the file did not contain a release form or a self-attestation form

Questioned costs: Undeterminable

Context: During our testing, we reviewed 60 tenant files, 10 of the tenant files contained errors as noted above. The sample was a statistically valid sample.

Cause: The Authority failed to keep documentation to support eligibility requirements.

Effect: The Authority is not in compliance with federal regulations regarding the calculation of the rent and verification of the tenant's income and residency.

Repeat Finding: This is a repeat finding from previous years. The finding numbers are 2018-008, 2019-007, and 2020-005.

Recommendation: We recommend management designate one person to review a sample of tenant files each month, to determine if the tenant files were prepared in accordance with internal policies and until the compliance deficiencies have been corrected.

Views of responsible officials: There is no disagreement with the audit finding.

Board of Commissioners
Paul Dumars, Chairman

Phyllis Choy, Vice Chair
Digna Mejia
Charlie Fetscher



CEO and Executive Director
Carol Jones-Gilbert

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PBCHA
PALM BEACH COUNTY
HOUSING AUTHORITY

CORRECTIVE ACTION PLAN

The Palm Beach County Housing Authority respectfully submits the following corrective action plan for the year ended September 30, 2021.

Audit period: October 1, 2020, to September 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS
U.S. Department of Housing and Urban Development
2021-001 – Eligibility

Housing Choice Voucher Cluster – Assistance Listing No. 14.871 and 14.879

Recommendation: We recommend management should designate one person to review a sample of the files that have been recertified each month, to determine if the tenant files were prepared in accordance with internal policies and unit the compliance deficiencies have been corrected.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The PBCHA acknowledges the continuing issues associated with this finding. The COVID-19 pandemic has placed unprecedented stress on companies across the country. The PBCHA was no exception. This stress negatively impacted the PBCHA's management, workforce and operations which resulted in sudden changes in working arrangements, shortages due to workforce sickness, staffing vacancies and turnover all while dealing with increased housing demand due rising rental costs, and decreased housing supply and housing instability.

Despite these challenges, the PBCHA remains strongly focused on continued and improved operations, and increased compliance and accountability. The PBCHA will continue to utilize all available resources to recruit, retain and train HCVP staff on the HCV program guidelines, to include training to determine what is included and excluded from annual income, how to identify and calculate assets, correctly calculate adjusted income by applying the HUD defined allowances and expenses, recognize the requirements for verification of income, allowances, and expenses and calculate total tenant payment and housing assistance payment (HAP).

The PBCHA make decisions, develop strategies, implement policies/procedures, and utilize all available resources during this period of prevailing uncertainty and volatility. Any action taken to address the noted deficiencies will be based on careful analysis, innovative thinking, restructuring, flexibility and/or revised strategies to adapt to everchanging business circumstances.

Name(s) of the contact person(s) responsible for corrective action: Tyler Rasmussen, Carol Jones-Gilbert

Planned completion date for corrective action plan: September 30, 2023

2021-002 – HQS Enforcements

Housing Choice Voucher Cluster – Assistance Listing No. 14.871 and 14.879

Recommendation: We recommend management should designate one person to oversee the inspection process to ensure that all inspections are being performed in a timely manner. Furthermore, management should ensure no HAP payments are issued for units that have not passed HQS housing inspections.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The PBCHA acknowledges the continuing issues associated with this finding. The COVID-19 pandemic has placed unprecedented stress on companies across the country. The PBCHA was no exception. This stress negatively impacted the PBCHA's management, workforce and operations which resulted in sudden changes in working arrangements, shortages due to workforce sickness, staffing vacancies and turnover all while dealing with increased housing demand due rising rental costs, and decreased housing supply and housing instability.

Despite these challenges, the PBCHA remains strongly focused on continued and improved operations, increased compliance, and accountability. The PBCHA continues to utilize its third-party vendor to complete all HQS inspections. The PBCHA will also utilize the technology available to make its HQS inspections and enforcement process as efficient as possible. This includes improved functionality within its new software system, new guidelines, and handheld technology and RVI methods as appropriate.

The PBCHA make decisions, develop strategies, implement policies/procedures, and utilize all available resources during this period of prevailing uncertainty and volatility. Any action taken to address the noted deficiency will be based on careful analysis, innovative thinking, restructuring, flexibility and/or revised strategies to adapt to everchanging business circumstances.

Name(s) of the contact person(s) responsible for corrective action: Tyler Rasmussen, Carol Jones-Gilbert

Planned completion date for corrective action plan: September 30, 2023

2021-003 – Rent Reasonableness

Housing Choice Voucher Cluster – Assistance Listing No. 14.871 and 14.879

Recommendation: We recommend that the Authority designate an individual to review tenant files to determine if a rent reasonableness has been performed.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The PBCHA acknowledges the continuing issues associated with this finding. The COVID-19 pandemic has placed unprecedented stress on companies across the country. The PBCHA was no exception. This stress negatively impacted the PBCHA's management, workforce and operations which resulted in sudden changes in working arrangements, shortages due to workforce sickness, staffing vacancies and turnover all while dealing with increased housing demand due rising rental costs, and decreased housing supply and housing instability.

Despite these challenges, the PBCHA remains strongly focused on continued and improved operations, increased compliance, and accountability. The agency will continue to develop, train, and enforce procedures to ensure rent reasonableness is performed on a timely basis as required by federal regulations and documentation is maintained in the tenant file. The agency utilizes an external resource to conduct rent comparison. The PBCHA will continue to train and instruct Housing Specialists on the responsibility to perform the rent reasonableness determination at the time of initial leasing, when there is an increase in rent to owner and at HAP contract anniversary if applicable under HUD rules and regulations.

The PBCHA make decisions, develop strategies, implement policies/procedures, and utilize all available resources during this period of prevailing uncertainty and volatility. Any action taken to address the noted deficiency will be based on careful analysis, innovative thinking, restructuring, flexibility and/or revised strategies to adapt to everchanging business circumstances.

Name(s) of the contact person(s) responsible for corrective action: Tyler Rasmussen, Carol Jones-Gilbert

Planned completion date for corrective action plan: September 30, 2023

2021-004 – Selection from the Waiting List

Housing Choice Voucher Cluster – Assistance Listing No. 14.871 and 14.879

Recommendation: We recommend that the Authority designate an individual to maintain the waiting list and track all correspondence with potential tenants.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The PBCHA acknowledges the continuing issues associated with this finding. The COVID-19 pandemic has placed unprecedented stress on companies across the country. The PBCHA was no exception. This stress negatively impacted the PBCHA's management, workforce and operations which resulted in sudden changes in working arrangements, shortages due to workforce sickness, staffing vacancies and turnover all while dealing with increased housing demand due rising rental costs, and decreased housing supply and housing instability.

Despite these challenges, the PBCHA remains strongly focused on continued and improved operations, increased compliance, and accountability. The PBCHA will continue to develop, train, and enforce procedures related to efficient waitlist management for families placed on the list for the HCV programs; the ongoing maintenance of the waiting lists; and selection of enough families from the list to maximize the PBCHA's use of available funding.

The PBCHA has elected to open its waiting lists beginning in June 2022 for its HCV programs and to leave lists open indefinitely to accurately depict the demand for affordable housing. This will require that PBCHA staff be trained and annually comply with the procedures outlined in the Administrative Plan related to updating, removal and selection from the wait lists, admission, and eligibility, and that all steps are documented within the tenant file and agency business system accordingly.

The PBCHA make decisions, develop strategies, implement policies/procedures, and utilize all available resources during this period of prevailing uncertainty and volatility. Any action taken to address the noted deficiency will be based on careful analysis, innovative thinking, restructuring, flexibility and/or revised strategies to adapt to everchanging business circumstances.

Name(s) of the contact person(s) responsible for corrective action: Tyler Rasmussen. Carol Jones-Gilbert

Planned completion date for corrective action plan: September 30, 2023

2021-005 – Eligibility (Housing Opportunities for Person with AIDS)

Housing Opportunities for Person with AIDS – Assistance Listing No. 14.241

Recommendation: We recommend management should designate one person to review a sample of the files that have been recertified each month.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The PBCHA acknowledges the continuing issues associated with this finding. The COVID-19 pandemic has placed unprecedented stress on companies across the country. The PBCHA was no exception. This stress negatively impacted the PBCHA's management, workforce and operations which resulted in sudden changes in working arrangements, shortages due to workforce sickness, staffing vacancies and turnover all while dealing with increased housing demand due rising rental costs, and decreased housing supply and housing instability.

Despite these challenges, the PBCHA remains strongly focused on continued and improved operations, increased compliance, and accountability. The PBCHA will continue to work with program partners to ensure that at the time of admission and annual reexamination, that income is verified and adjusted annual income correctly determined for each assisted household and the appropriate utility allowance used in determining rent. Staff will ensure that information is entered correctly across both the Provide and PBCHA business systems to prevent errors. The PBCHA will continue to develop, implement, and coordinate internal controls and monitoring with the City of West Palm Beach in its administration of the HOPWA program.

The PBCHA will make decisions, develop strategies, implement policies/procedures, and utilize all available resources during this period of prevailing uncertainty and volatility. Any action taken to address the noted deficiency will be based on careful analysis, innovative thinking, restructuring, flexibility, and revised strategies to adapt to everchanging business circumstances.

Name(s) of the contact person(s) responsible for corrective action: Tyler Rasmussen, Carol Jones-Gilbert

Planned completion date for corrective action plan: September 30, 2023

If the U.S Department of Housing and Urban Development has questions regarding this plan, please call the Executive Director at (561) 684-2160.

Sincerely,

Carol Jones-Gilbert
Executive Director

Board of Commissioners
Paul Dumars, Chairman

Phyllis Choy, Vice Chair
Digna Mejia
Charlie Fetscher



CEO and Executive Director
Carol Jones-Gilbert

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PBCHA
PALM BEACH COUNTY
HOUSING AUTHORITY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

U.S Department of Housing and Urban Development

Palm Beach County Housing Authority respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2020.

Audit period: October 1, 2019 to September 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

Finding 2020 – 001 – Eligibility

Condition: During the testing of the Housing Choice Voucher Cluster tenant files, 60 out of the 60 files tested contained certain eligibility deficiencies.

Status: See current year finding 2021-001.

Reason for finding's recurrence: The Authority failed to provide adequate monitoring and oversight to ensure compliance with the HUD rules and regulations.

Corrective Action: Please refer to current year corrective action plan.

Finding 2020 – 002 – HQS Enforcements and Inspections

Condition: During the testing of the Housing Choice Voucher Cluster tenant files, certain special provision compliance deficiencies were noted. 15 out of 60 annual Housing Quality Standards Inspections and 11 out of 60 HQS Enforcement Inspections tested contained errors.

Status: See current year finding 2021-002.

Reason for finding's recurrence: The Authority does not have adequate procedures in place to ensure units are re-inspected timely and to ensure that units with housing quality standard deficiencies are not paid housing assistance payments.

Corrective Action: Please refer to current year corrective action plan.

Finding 2020 – 003 – Rent Reasonableness

Condition: During out testing of the Housing Choice Voucher Cluster tenant files, certain special provision compliance deficiencies were noted. 21 out of 87 tenant files tested did not have a rent reasonableness performed before the effective date.

Status: See current year finding 2021-003.

Reason for finding's recurrence: The Authority failed to follow internal policies in determining the reasonableness of the rent being charged before the effective date of the tenant file.

Corrective Action: Please refer to current year corrective action plan.

Finding 2020 – 004 – Selection from the Waiting List

Condition: During out testing of the Housing Choice Voucher Cluster tenant files, certain special provision compliance deficiencies were noted. 51 out of 60 tenant files tested contained deficiencies.

Status: See current year finding 2021-004.

Reason for finding's recurrence: The Authority failed to maintain proper documentation regarding the tenant's response to the waiting list letter that was sent.

Corrective Action: Please refer to current year corrective action plan.

Finding 2020 – 005 – Eligibility (Housing Opportunities for Person with AIDS)

Condition: During the testing of the Housing Opportunities for Person with AIDS tenant files, 5 out of the 60 files tested contained certain eligibility deficiencies.

Status: See current year finding 2021-005.

Reason for finding's recurrence: The Authority failed to maintain proper supporting document regarding the tenants eligibility.

Corrective Action: Please refer to current year corrective action plan.

If the U.S Department of Housing and Urban Development has questions regarding this schedule, please call Carol Jones-Gilbert at phone: (561)684-2160.

Carol Jones-Gilbert
Executive Director