

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

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

FOR THE YEAR ENDED DECEMBER 31, 2014



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Plant City Housing Authority
Plant City, Florida

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Plant City Housing Authority (the Authority) which include the statement of net position as of December 31, 2014 and the related statements of revenues, expenses and changes in net position, cash flows for the year then ended, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2014 and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

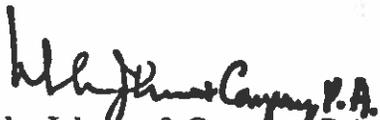
Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i-vii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, the Financial Data Schedule, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 14, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.


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

DeBary, Florida
September 14, 2015

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

The Plant City Housing Authority's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

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

Financial Highlights

- The Authority's net position decreased by \$117,586 (3.8%) during fiscal year ended 2014.
- The total operating revenues of the authority decreased by \$82,729 (2.9%) during fiscal year ended 2014.
- The total operating expenses of all Authority programs increased by \$152,463 (4.7%) during fiscal year ended 2014.
- At the close of fiscal year ended 2014, the Authority's assets exceeded its liabilities by \$2,960,724.

Using This Annual Report

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

MD&A

~ Management's Discussion and Analysis

Basic Financial Statements

~ *Authority-wide Financial Statements –*

Statement of Net Position

Statement of Revenues, Expenses, and Changes in Net Position

Statement of Cash Flows

~ *Notes to Basic Financial Statements*

Supplemental Information

~ Supplemental Information (other than the MD&A)

The primary focus of the Authority's basic financial statements is on both the Authority as a whole (Authority-wide) and the major individual programs. Both perspectives (authority-wide and major individual programs) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority), and enhance the Authority's accountability.

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014
(Continued)

Authority-Wide Basic Financial Statements

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

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

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

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

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

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

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

Basic Financial Statements

The Authority consists of an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014
(Continued)

The Authority's Programs

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

Housing Choice Voucher Program- This program is a type of Section 8 assistance. The Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides contributions to the Authority to enable the Authority to subsidize the participants' rents.

Capital Fund Program – The Conventional Public Housing (low rent) also includes the capital fund program, which is the primary source for physical and management improvements to the Authority's ACC properties. The formula funding methodology used is based upon the number of units, bedroom sizes of those units, and age of the buildings/ units.

Authority-wide Statements

Statement of Net Position: The table on the next page reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-type activities.

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014
(Continued)

Table 1 – Comparative Statement of Net Position

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
ASSETS:			
Current Assets			
Cash and Cash Equivalents, unrestricted	\$ 845,684	\$ 865,949	\$ (20,265)
Cash and Cash Equivalents, restricted	100,736	233,591	(132,855)
Investments, unrestricted	538,610	537,024	1,586
Accounts receivable, net of allowance	10,010	11,751	(1,741)
Inventories, net of obsolescence	19,266	16,713	2,553
Prepaid insurance	12,685	86,052	(73,367)
Total current assets	<u>1,526,991</u>	<u>1,751,080</u>	<u>(224,089)</u>
Noncurrent assets			
Other assets			
Insurance deposits	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Capital assets			
Not being depreciated	549,319	599,067	(49,748)
Depreciable, net	1,130,990	951,659	179,331
Total capital assets, net	<u>1,680,309</u>	<u>1,550,726</u>	<u>129,583</u>
Total noncurrent assets	<u>1,690,309</u>	<u>1,560,726</u>	<u>129,583</u>
Total assets	<u>3,217,300</u>	<u>3,311,806</u>	<u>(94,506)</u>
Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>3,217,300</u>	<u>3,311,806</u>	<u>(94,506)</u>
LIABILITIES:			
Current liabilities			
Vendors and contractors payable	54,312	35,437	18,875
Accrued wages/ taxes payable	-	4,965	(4,965)
Accrued compensated absences	25,276	22,121	3,155
Due to other governments	78,218	75,497	2,721
Unearned revenue	534	701	(167)
Total current liabilities	<u>158,340</u>	<u>138,721</u>	<u>19,619</u>
Current liabilities payable from restricted assets			
Resident security deposits	<u>72,959</u>	<u>72,654</u>	<u>305</u>
Noncurrent liabilities			
Accrued compensated absences	<u>25,277</u>	<u>22,121</u>	<u>3,156</u>
Total Liabilities	<u>256,576</u>	<u>233,496</u>	<u>23,080</u>
Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflow of Resources	<u>256,576</u>	<u>233,496</u>	<u>23,080</u>
Net position			
Net investment in capital assets	1,680,309	1,550,726	129,583
Restricted net position	27,777	160,937	(133,160)
Unrestricted net position	1,252,638	1,366,647	(114,009)
Total net position	<u>\$ 2,960,724</u>	<u>\$ 3,078,310</u>	<u>\$ (117,586)</u>

For more detailed information see the Statement of Net Position.

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014
(Continued)

Major Factors Affecting the Statement of Net Position

During 2014, current assets decreased by \$224,089 caused by a decrease in restricted cash and prepaid insurance. Current liabilities increased by \$19,619 caused largely by an increase in accrued accounts payable and compensated absences. Capital assets increased from \$1,550,726 to \$1,680,309. The \$129,583 increase was attributed by depreciation expense and purchase of capital assets. For more detail see "Capital Assets and Debt Administration" below.

Table 2 – Comparative Statement of Revenues, Expenses and Changes in Net Position

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

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Operating revenue			
Rental revenue	\$ 572,560	\$ 559,093	\$ 13,467
HUD Grants	2,153,903	2,257,760	(103,857)
Other revenue	<u>75,396</u>	<u>67,735</u>	<u>7,661</u>
Total operating revenue	<u>2,801,859</u>	<u>2,884,588</u>	<u>(82,729)</u>
Operating expenses			
Administrative	541,107	474,013	67,094
Utilities	154,579	169,097	(14,518)
Ordinary maintenance and operation	734,509	666,953	67,556
Protective services	3,001	5,018	(2,017)
Insurance	98,720	89,470	9,250
General expenses	64,258	61,239	3,019
Housing assistance payments	1,456,120	1,463,170	(7,050)
Depreciation	<u>324,350</u>	<u>295,221</u>	<u>29,129</u>
Total operating expenses	<u>3,376,644</u>	<u>3,224,181</u>	<u>152,463</u>
Operating income (loss)	<u>(574,785)</u>	<u>(339,593)</u>	<u>(235,192)</u>
Nonoperating revenues (expenses)			
Interest revenue	2,061	2,139	(78)
Fraud recovery	<u>1,205</u>	<u>831</u>	<u>374</u>
Total nonoperating revenues	<u>3,266</u>	<u>2,970</u>	<u>296</u>
Income (loss) before capital contributions	<u>(571,519)</u>	<u>(336,623)</u>	<u>(234,896)</u>
Capital contributions	<u>453,933</u>	<u>249,067</u>	<u>204,866</u>
Increase (decrease) in net position	<u>(117,586)</u>	<u>(87,556)</u>	<u>(30,030)</u>
Net position, beginning of year	<u>3,078,310</u>	<u>3,165,866</u>	<u>(87,556)</u>
Net position, end of year	<u><u>\$ 2,960,724</u></u>	<u><u>\$ 3,078,310</u></u>	<u><u>\$ (117,586)</u></u>

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014
(Continued)

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position

Operating revenues decreased during 2014 due to a decrease in operating subsidies received from HUD from \$2,257,760 to \$2,153,903. As evidenced above, the Authority's current ratio decreased during the fiscal year due to a decrease in current assets, primarily restricted cash and prepaid insurance. Total liabilities increased by \$23,080 mainly due to accounts payable due vendors. Net position decreased by \$117,586 due to the increase in operating losses in the current year.

Federal Awards:

Capital Fund Program	\$ 453,933
Low Rent Public Housing	650,019
Shelter Plus Care Program	335,619
Housing Choice Vouchers	<u>1,168,265</u>
Total Federal Awards	<u>\$ 2,607,836</u>

Capital Assets and Debt Administration

Capital Assets

As of yearend, the Authority had \$1,680,309 invested in a variety of capital assets as reflected in the following schedule.

Table 3 – Capital Assets at Year-End (Net of Depreciation)

	September 30, 2014	2013	Increase (Decrease)
Non-depreciable:			
Land	\$ 350,000	\$ 350,000	\$ -
Construction in progress	199,319	249,067	(49,748)
	549,319	599,067	(49,748)
Depreciable:			
Buildings	11,345,345	10,841,664	503,681
Equipment	175,256	175,256	-
	11,520,601	11,016,920	503,681
Accumulated depreciation	10,389,611	10,065,261	324,350
Total	1,130,990	951,659	179,331
Capital assets, net	\$ 1,680,309	\$ 1,550,726	\$ 129,583

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
DECEMBER 31, 2014
(Continued)

Debt Outstanding

As of year-end, the Authority had no long-term debt (bonds, notes, etc.) outstanding. The only long term liabilities were accrued compensated absences and resident security deposits.

Factors Affecting Next Year's Budget

The Authority continues its affordable housing ventures. Availability of funding by HUD for operating subsidy, housing voucher program and modernization remain uncertain and volatile.

Economic Factors

Significant economic factors affecting the Authority are as follows:

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

Financial Contact

The individual to be contacted regarding this report is Sylvia Sellers, Executive Director of the Plant City Housing Authority. Specific requests may be submitted to the Plant City Housing Authority at 1306 Larrick Lane, Plant City, Florida, 33566; telephone 813-752-0569.

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

STATEMENT OF NET POSITION
DECEMBER 31, 2014

ASSETS

Current assets

Cash and cash equivalents, unrestricted	\$ 845,684
Cash and cash equivalents, restricted	100,736
Investments, unrestricted	538,610
Accounts receivable, net of allowance	10,010
Inventories, net of obsolescence	19,266
Prepaid insurance	12,685
Total current assets	1,526,991

Noncurrent assets

Other assets

Insurance deposits	10,000
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Capital assets

Not being depreciated	549,319
Depreciable, net	1,130,990

Total capital assets, net	1,680,309
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Total noncurrent assets	1,690,309
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Total assets

3,217,300

Deferred Outflow of Resources

-

Total Assets and Deferred Outflow of Resources

3,217,300

LIABILITIES

Current liabilities

Vendors and contractors payable	54,312
Accrued compensated absences	25,276
Due to other governments	78,218
Unearned revenue	534

Total current liabilities	158,340
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Current liabilities payable from restricted assets

Resident security deposits	72,959
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Noncurrent liabilities

Accrued compensated absences	25,277
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Total liabilities

256,576

Deferred Inflow of Resources

-

Total Liabilities and Deferred Inflow of Resources

256,576

NET POSITION

Net investment in capital assets	1,680,309
Restricted	27,777
Unrestricted	1,252,638

Total net position

\$ 2,960,724

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

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

Operating revenues	
Rental revenue	\$ 572,560
HUD grants	2,153,903
Other revenue	75,396
Total operating revenues	<u>2,801,859</u>
Operating expenses	
Administrative	541,107
Utilities	154,579
Ordinary maintenance & operation	734,509
Protective services	3,001
Insurance	98,720
General expenses	64,258
Housing assistance payments	1,456,120
Depreciation	324,350
Total operating expenses	<u>3,376,644</u>
Operating income (loss)	<u>(574,785)</u>
Nonoperating revenues (expenses)	
Interest revenue, unrestricted	2,061
Fraud recovery	1,205
Total nonoperating revenues	<u>3,266</u>
Income (loss) before contributions	<u>(571,519)</u>
Capital contributions	<u>453,933</u>
Increase (decrease) in net position	<u>(117,586)</u>
Net position, beginning of year	<u>3,078,310</u>
Net position, end of year	<u><u>\$ 2,960,724</u></u>

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

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash Flows From Operating Activities	
Receipts from dwelling rentals	\$ 576,003
Operating grants	2,153,903
Other receipts	60,852
Payments to employees and suppliers	(1,369,474)
Payments to landlords and resident benefits	(1,574,879)
Net cash provided (used) by operating activities	<u>(153,595)</u>
Cash Flows From Capital and Related Financing Activities	
Capital contributions	453,933
Purchases of capital assets	(453,933)
Net cash provided (used) by capital and related financing activities	<u>-</u>
Cash Flows From Investing Activities	
Purchase of investments	(1,586)
Interest	2,061
Net cash provided (used) by investing activities	<u>475</u>
Net increase (decrease) in cash and cash equivalents	(153,120)
Balance - beginning of the year	<u>1,099,540</u>
Balance - end of the year	<u><u>\$ 946,420</u></u>
Reconciliation of Cash Flows to Statement of Net Position	
Cash and cash equivalents, unrestricted	\$ 845,684
Cash and cash equivalents, restricted	100,736
	<u><u>\$ 946,420</u></u>

There are no non-cash transactions.

PLANT CITY HOUSING AUTHORITY

Plant City, Florida

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

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

Operating income/(loss)	\$ (574,785)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	324,350
Decrease in accounts receivable	1,741
Decrease in due to/from other governments	2,721
Increase in inventory	(2,553)
Decrease in prepaid expenses	73,367
Increase in security deposits	305
Increase in accounts payable	18,875
Decrease in accrued wages	(4,965)
Increase in accrued compensated absences	3,155
Decrease in accrued liabilities	(167)
Increase in unearned revenue	3,156
Other revenue and expense reported as nonoperating	1,205
	<u><u>\$ (153,595)</u></u>

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

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

A - Summary of Significant Accounting Policies and Organization:

1. **Organization:** Plant City Housing Authority (“the Authority”) is a public body corporate and politic pursuant to Chapter 421 Laws of the State of Florida which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies.
2. **Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has no component units.

The basic financial statements of the Authority consist primarily of Low Rent Public Housing under Annual Contributions Contract A-2523 and Section 8 Housing Assistance Programs under Annual Contributions Contract A-4288.

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

a. Annual Contributions Contract A-2523

- 1) **Low Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.
- 2) **Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.

b. Annual Contributions Contract A-4288 - Housing Assistance Payments Programs

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

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

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

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

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Pursuant to *GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, certain accounting and financial reporting guidance is applied in the preparation of the basic financial statements, unless those pronouncements conflict with or contradict GASB pronouncements.

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

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or they expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

5. **Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.
6. **Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.
7. **Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

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

8. **Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Florida.
9. **Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.
10. **Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.
11. **Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
12. **Fair Value of Financial Instruments:** The carrying amount of the Authority's financial instruments at December 31, 2014 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.
13. **Capital Assets:**
 - a. **Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

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

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

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

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

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

13. Capital Assets: (Continued)

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

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

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

Buildings and Building Modernization	10-40 years
Equipment, Vehicles and Computers	3-7 years

- c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$1,500 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.
- 14. Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.
- 15. Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable and the loss is reasonably estimable.
- 16. Annual Contribution Contracts:** Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.
- 17. Risk Management:** The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

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

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

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

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

1. HUD Deposit and Investment Restrictions

The carrying amounts of the Authority's cash and cash equivalents consist of cash with carrying amount of \$946,420 at December 31, 2014. Bank balances before reconciling items were \$1,004,645 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name. The Authority's investment consists of certificates of deposit with original maturities greater than three (3) months of \$538,610.

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

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

2. Risk Disclosures

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

At December 31, 2014, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

C - Accounts Receivable:

Tenant rents (net of allowance for doubtful accounts of \$1,987) \$ 10,010

D - Land, Buildings and Equipment:

	Balance		Transfers	Balance	
	December 31 2013	Additions		December 31 2014	December 31 2014
Not being depreciated:					
Land	\$ 350,000	\$ -	\$ -	\$ 350,000	
Construction in progress	249,067	453,933	(503,681)	199,319	
Total not being depreciated	<u>599,067</u>	<u>453,933</u>	<u>(503,681)</u>	<u>549,319</u>	
Depreciable:					
Buildings & improvements	10,841,664	-	503,681	11,345,345	
Accumulated depreciation	(9,922,241)	(312,817)	-	(10,235,058)	
Net buildings & improvements	<u>919,423</u>	<u>(312,817)</u>	<u>503,681</u>	<u>1,110,287</u>	
Equipment	175,256	-	-	175,256	
Accumulated depreciation	(143,020)	(11,533)	-	(154,553)	
Net equipment	<u>32,236</u>	<u>(11,533)</u>	<u>-</u>	<u>20,703</u>	
Net depreciable assets	<u>951,659</u>	<u>(324,350)</u>	<u>503,681</u>	<u>1,130,990</u>	
TOTAL	<u>\$ 1,550,726</u>	<u>\$ 129,583</u>	<u>\$ -</u>	<u>\$ 1,680,309</u>	

E - Unearned Revenue:

Tenant Prepaid Rent \$ 534

F - Schedule of Changes in Noncurrent Liabilities:

	Balance at		Year Ended		December 31, 2014	
	December 31, 2013	December 31, 2013	December 31, 2014		December 31, 2014	December 31, 2014
	Long-term Portion	Current Portion	Additions	Payments	Current Portion	Long-term Portion
Accrued compensated absences	<u>\$ 22,121</u>	<u>\$ 22,121</u>	<u>\$ 19,686</u>	<u>\$ (13,375)</u>	<u>\$ 25,276</u>	<u>\$ 25,277</u>

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

G - Annual Contributions by Federal Agencies:

Annual Contributions Contract A-2526 - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended December 31, 2014 were \$650,019.

HUD also contributed additional funds for modernization and operations in the amount of \$453,933 for the year ended December 31, 2014.

Annual Contributions Contract A-4288 - Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. HUD contributions for the year ended December 31, 2014, were \$1,175,137.

H - Defined Contribution Pension Plan: The Authority provides pension benefits for all its full-time employees through a defined contribution plan entitled "Mutual of American Life Insurance Company Defined Contribution Prototype Pension Plan". The plan is administered by Mutual of America.. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Board of Commissioners for the Authority is authorized to establish and amend plan benefits. Employees are eligible to participate from the date of employment. The Authority contributes 14.5% of the employee's base salary each month, while the employees may not contribute. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after 5 years of continuous service, or until age 65, whichever is first. Authority contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Authority's current-period contribution requirement.

The Authority's total payroll in fiscal year 2014 was \$492,145. The Authority's and employee's contributions were calculated using the eligible wages of \$492,145. The Authority and the employees made the required contributions amounting to \$71,361.

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

I - Economic Dependency: The Authority receives approximately 80 % of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.

J - Contingencies: The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended December 31, 2014.

PLANT CITY HOUSING AUTHORITY
Plant City Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

- K - Conduit Type Debt:** Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the basic financial statements of the Authority. Additionally, HUD no longer provides debt service information to the Authority.
- L - Commitments:** The Authority is engaged in modernization programs funded by HUD. In this regard, the Authority enters into construction-type contracts, however none are open at December 31, 2014.
- M - Leasing Activities (as Lessor):** The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.
- Revenues associated with these leases are recorded in the basic financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.
- N - Interprogram Transfers:** The Authority will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. There were no transfers during the year ended December 31, 2014.
- O - Net Position:** The U.S. Department of HUD now restricts the donations for housing assistance payments for that purpose alone. The financial statements therefore reflect a restatement of beginning restricted net position and unrestricted net position.
- P - Decrease in Net Position:** The decrease in net position is expected to be absorbed through operations in subsequent fiscal years, assisted by transfers from various programs. No fund deficit is expected as a result of the current year loss.

SUPPLEMENTAL INFORMATION

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2014

	Low Rent Public Housing	Housing Choice Voucher Program	Shelter Plus Care Program	Total 2014
ASSETS				
Current assets				
Cash and cash equivalents, unrestricted	\$ 761,707	\$ 56,194	\$ 27,783	\$ 845,684
Cash and cash equivalents, restricted	72,959	27,777	-	100,736
Investments, unrestricted	531,604	7,006	-	538,610
Accounts receivable, net of allowance	10,010	-	-	10,010
Inventories, net of obsolescence	19,266	-	-	19,266
Prepaid insurance	10,796	1,889	-	12,685
Total current assets	1,406,342	92,866	27,783	1,526,991
Noncurrent assets				
Other assets				
Insurance deposits	10,000	-	-	10,000
Capital assets				
Not being depreciated	549,319	-	-	549,319
Depreciable, net	1,130,990	-	-	1,130,990
Total capital assets, net	1,680,309	-	-	1,680,309
Total noncurrent assets	1,690,309	-	-	1,690,309
Total assets	3,096,651	92,866	27,783	3,217,300
Deferred Outflow of Resources	-	-	-	-
Total Assets and Deferred Outflow of Resources	3,096,651	92,866	27,783	3,217,300
LIABILITIES				
Current liabilities				
Vendors and contractors payable	48,694	5,618	-	54,312
Accrued compensated absences	21,660	3,616	-	25,276
Due to other governments	78,218	-	-	78,218
Unearned revenue	534	-	-	534
Total current liabilities	149,106	9,234	-	158,340
Current liabilities payable from restricted assets				
Resident security deposits	72,959	-	-	72,959
Noncurrent liabilities				
Accrued compensated absences	21,660	3,617	-	25,277
Total liabilities	243,725	12,851	-	256,576
Deferred Inflow of Resources	-	-	-	-
Total Liabilities and Deferred Inflow of Resources	243,725	12,851	-	256,576
NET POSITION				
Net investment in capital assets	1,680,309	-	-	1,680,309
Restricted	-	27,777	-	27,777
Unrestricted	1,172,617	52,238	27,783	1,252,638
Total net position	\$ 2,852,926	\$ 80,015	\$ 27,783	\$ 2,960,724

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Low Rent Public Housing	Housing Choice Voucher Program	Shelter Plus Care Program	Total 2014
Operating revenues				
Rental revenue	\$ 572,560	\$ -	\$ -	\$ 572,560
HUD grants	650,019	1,168,265	335,619	2,153,903
Other revenue	68,524	6,872	-	75,396
Total operating revenues	1,291,103	1,175,137	335,619	2,801,859
Operating expenses				
Administrative	400,626	78,327	62,154	541,107
Utilities	153,244	1,335	-	154,579
Ordinary maintenance & operation	734,509	-	-	734,509
Protective services	3,001	-	-	3,001
Insurance	96,477	2,243	-	98,720
General expenses	58,247	6,011	-	64,258
Housing assistance payments	-	1,202,901	253,219	1,456,120
Depreciation	324,350	-	-	324,350
Total operating expenses	1,770,454	1,290,817	315,373	3,376,644
Operating income (loss)	(479,351)	(115,680)	20,246	(574,785)
Nonoperating revenues (expenses)				
Interest revenue, unrestricted	1,901	151	9	2,061
Fraud recovery	198	1,007	-	1,205
Total nonoperating revenues	2,099	1,158	9	3,266
Income (loss) before contributions	(477,252)	(114,522)	20,255	(571,519)
Capital contributions	453,933	-	-	453,933
Increase (decrease) in net position	(23,319)	(114,522)	20,255	(117,586)
Net position, beginning of year	2,876,245	194,537	7,528	3,078,310
Net position, end of year	\$ 2,852,926	\$ 80,015	\$ 27,783	\$ 2,960,724

PLANT CITY HOUSING AUTHORITY (FL034)
PLANT CITY, FL
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14 871 Housing Choice Vouchers	14 238 Shelter Plus Care	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$781,707	\$56,194	\$27,783	\$845,684		\$845,684
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		\$27,777		\$27,777		\$27,777
114 Cash - Tenant Security Deposits	\$72,959			\$72,959		\$72,959
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$834,666	\$83,971	\$27,783	\$946,420	\$0	\$946,420
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants	\$11,997			\$11,997		\$11,997
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,987			-\$1,987		-\$1,987
126.2 Allowance for Doubtful Accounts - Other						
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
129.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$10,010	\$0	\$0	\$10,010	\$0	\$10,010
131 Investments - Unrestricted	\$531,604	\$7,006		\$538,610		\$538,610
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$10,796	\$1,889		\$12,685		\$12,685
143 Inventories	\$19,866			\$19,866		\$19,866
143.1 Allowance for Obsolete Inventories	-\$600			-\$600		-\$600
144 Inter Program Due From						
145 Assets Held for Sale						
150 Total Current Assets	\$1,406,342	\$92,866	\$27,783	\$1,526,991	\$0	\$1,526,991
161 Land	\$350,000			\$350,000		\$350,000
162 Buildings	\$11,345,345			\$11,345,345		\$11,345,345
163 Furniture, Equipment & Machinery - Dwellings						
164 Furniture, Equipment & Machinery - Administration	\$109,945	\$65,311		\$175,256		\$175,256
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$10,324,300	-\$65,311		-\$10,389,611		-\$10,389,611
167 Construction in Progress	\$199,319			\$199,319		\$199,319
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,680,309	\$0	\$0	\$1,680,309	\$0	\$1,680,309
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets	\$10,000			\$10,000		\$10,000
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$1,690,309	\$0	\$0	\$1,690,309	\$0	\$1,690,309
200 Deferred Outflow of Resources						

290 Total Assets and Deferred Outflow of Resources	\$3,096,651	\$92,866	\$27,783	\$3,217,300	\$0	\$3,217,300
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$48,694	\$5,618		\$54,312		\$54,312
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion	\$21,660	\$3,618		\$25,278		\$25,278
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$78,218			\$78,218		\$78,218
341 Tenant Security Deposits	\$72,959			\$72,959		\$72,959
342 Unearned Revenue	\$534			\$534		\$534
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other						
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$222,065	\$9,234	\$0	\$231,299	\$0	\$231,299
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	\$21,660	\$3,617		\$25,277		\$25,277
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	\$21,660	\$3,617	\$0	\$25,277	\$0	\$25,277
300 Total Liabilities	\$243,725	\$12,851	\$0	\$256,576	\$0	\$256,576
400 Deferred Inflow of Resources						
508.4 Net Investment in Capital Assets	\$1,680,309			\$1,680,309		\$1,680,309
511.4 Restricted Net Position		\$27,777		\$27,777		\$27,777
512.4 Unrestricted Net Position	\$1,172,817	\$52,236	\$27,783	\$1,252,836		\$1,252,836
513 Total Equity - Net Assets / Position	\$2,852,926	\$80,015	\$27,783	\$2,960,724	\$0	\$2,960,724
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,096,651	\$92,866	\$27,783	\$3,217,300	\$0	\$3,217,300

PLANT CITY HOUSING AUTHORITY (FL034)

PLANT CITY, FL

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14 871 Housing Choice Vouchers	14 238 Shelter Plus Care	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$572,560			\$572,560		\$572,560
70400 Tenant Revenue - Other	\$15,225			\$15,225		\$15,225
70500 Total Tenant Revenue	\$587,785	\$0	\$0	\$587,785	\$0	\$587,785
70600 HUD PHA Operating Grants	\$650,019	\$1,168,265	\$335,619	\$2,153,903		\$2,153,903
70610 Capital Grants	\$453,933			\$453,933		\$453,933
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue				\$0	\$0	\$0
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$1,901	\$151	\$9	\$2,061		\$2,061
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery	\$198	\$1,007		\$1,205		\$1,205
71500 Other Revenue	\$53,299	\$6,872		\$60,171		\$60,171
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$1,747,135	\$1,176,295	\$335,628	\$3,259,058	\$0	\$3,259,058
91100 Administrative Salaries	\$214,680	\$46,696		\$261,376		\$261,376
91200 Auditing Fees	\$10,956	\$1,494		\$12,450		\$12,450
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing	\$115			\$115		\$115
91500 Employee Benefit contributions - Administrative	\$104,434	\$18,686		\$123,120		\$123,120
91600 Office Expenses	\$59,863	\$8,109		\$67,972		\$67,972
91700 Legal Expense	\$2,792	\$984		\$3,776		\$3,776
91800 Travel	\$2,905	\$396		\$3,301		\$3,301
91810 Allocated Overhead						
91900 Other	\$4,881	\$1,960	\$62,154	\$68,995		\$68,995
91000 Total Operating - Administrative	\$400,628	\$78,327	\$62,154	\$541,107	\$0	\$541,107
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other						
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$142,455			\$142,455		\$142,455
93200 Electricity	\$10,789	\$1,335		\$12,124		\$12,124
93300 Gas						

93400 Fuel						
93500 Labor						
93600 Sewer						
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$153,244	\$1,335	\$0	\$154,579	\$0	\$154,579
94100 Ordinary Maintenance and Operations - Labor	\$230,767			\$230,767		\$230,767
94200 Ordinary Maintenance and Operations - Materials and Other	\$139,544			\$139,544		\$139,544
94300 Ordinary Maintenance and Operations Contracts	\$251,062			\$251,062		\$251,062
94500 Employee Benefit Contributions - Ordinary Maintenance	\$113,136			\$113,136		\$113,136
94000 Total Maintenance	\$734,509	\$0	\$0	\$734,509	\$0	\$734,509
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs	\$3,001			\$3,001		\$3,001
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$3,001	\$0	\$0	\$3,001	\$0	\$3,001
96110 Property Insurance	\$78,911			\$78,911		\$78,911
96120 Liability Insurance						
96130 Workmen's Compensation	\$9,246	\$2,131		\$11,377		\$11,377
96140 All Other Insurance	\$8,320	\$112		\$8,432		\$8,432
96100 Total Insurance Premiums	\$96,477	\$2,243	\$0	\$98,720	\$0	\$98,720
96200 Other General Expenses		\$4,268		\$4,268		\$4,268
96210 Compensated Absences	\$4,569	\$1,743		\$6,312		\$6,312
96300 Payments in Lieu of Taxes	\$40,698			\$40,698		\$40,698
96400 Bad debt - Tenant Rents	\$12,980			\$12,980		\$12,980
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$58,247	\$6,011	\$0	\$64,258	\$0	\$64,258
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,446,104	\$87,916	\$62,154	\$1,596,174	\$0	\$1,596,174
97000 Excess of Operating Revenue over Operating Expenses	\$301,031	\$1,088,379	\$273,474	\$1,662,884	\$0	\$1,662,884
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		\$1,196,426	\$253,219	\$1,449,645		\$1,449,645
97350 HAP Portability In		\$6,475		\$6,475		\$6,475
97400 Depreciation Expense	\$324,350			\$324,350		\$324,350
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$1,770,454	\$1,290,817	\$315,373	\$3,376,644	\$0	\$3,376,644
10010 Operating Transfer In						

10020	Operating transfer Out						
10030	Operating Transfers from/to Primary Government						
10040	Operating Transfers from/to Component Unit						
10050	Proceeds from Notes, Loans and Bonds						
10060	Proceeds from Property Sales						
10070	Extraordinary Items, Net Gain/Loss						
10080	Special Items (Net Gain/Loss)						
10091	Inter Project Excess Cash Transfer In						
10092	Inter Project Excess Cash Transfer Out						
10093	Transfers between Program and Project - In						
10094	Transfers between Project and Program - Out						
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$23,319	-\$114,522	\$20,255	-\$117,586	\$0	-\$117,586
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$2,876,245	\$194,537	\$7,528	\$3,078,310		\$3,078,310
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors						
11050	Changes in Compensated Absence Balance						
11060	Changes in Contingent Liability Balance						
11070	Changes in Unrecognized Pension Transition Liability						
11080	Changes in Special Term/Severance Benefits Liability						
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100	Changes in Allowance for Doubtful Accounts - Other						
11170	Administrative Fee Equity		\$52,238		\$52,238		\$52,238
11180	Housing Assistance Payments Equity		\$27,777		\$27,777		\$27,777
11190	Unit Months Available	2400	2000	441	4841		4841
11210	Number of Unit Months Leased	2378	2000	373	4751		4751
11270	Excess Cash	\$1,033,707			\$1,033,707		\$1,033,707
11610	Land Purchases	\$0			\$0		\$0
11620	Building Purchases	\$0			\$0		\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0			\$0		\$0
11640	Furniture & Equipment - Administrative Purchases	\$0			\$0		\$0
11650	Leasehold Improvements Purchases	\$453,933			\$453,933		\$453,933
11660	Infrastructure Purchases	\$0			\$0		\$0
13510	CFFP Debt Service Payments	\$0			\$0		\$0
13901	Replacement Housing Factor Funds	\$0			\$0		\$0

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Pass Through Entity</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
14.850	Low Rent Public Housing	NA	\$ 650,019
14.872	Capital Fund Program	NA	453,933
	Housing Choice Voucher Cluster		
14.871	Housing Choice Voucher Program	NA	1,168,265
14.871	Housing Choice Voucher-Pass thru	Other PHA's	6,872
	Total Housing Choice Voucher Cluster		<u>1,175,137</u>
14.238	Shelter Plus Care	NA	335,619
	Total U.S. Department of HUD		<u>2,614,708</u>
	Total Federal Awards Expenditures		<u>\$ 2,614,708</u>

Notes to the Schedule of Expenditures of Federal Awards

A. Basis of Accounting

This schedule is prepared on the accrual basis of accounting.

B. Basis of Presentation

The accompanying Schedule of Federal Awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

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

FDS line 706	HUD PHA Grants	\$ 2,153,903
FDS line 706.1	Capital Grants	453,933
FDS line 715	HCVP other income	6,872
		<u>\$ 2,614,708</u>

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Plant City Housing Authority
Plant City, Florida

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Plant City Housing Authority (the Authority), which include the statement of net position as of December 31, 2014, and the related statements of revenue, expenses and changes in net position, cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon September 14, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated September 14, 2015.

Purpose of this Report

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



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

DeBary, Florida
September 14, 2015

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Plant City Housing Authority
Plant City, Florida

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

Report on Compliance for Each Major Program

We have audited Plant City Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133)*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirements of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



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

DeBary, Florida
September 14, 2015

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Basic Financial Statements

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

Federal Awards

Internal control over major programs:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major programs:

CFDA Number	Name of Federal Program
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

**PLANT CITY HOUSING AUTHORITY
Plant City, Florida**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

There were no Basic Financial Statement Findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings and Questioned Costs.

PLANT CITY HOUSING AUTHORITY
Plant City, Florida

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014

There were no prior audit findings.