

**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

**MANAGEMENT'S DISCUSSION & ANALYSIS
AND AUDITED FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	Page
Unmodified Opinions on Basic Financial Statements Accompanied by Required Supplementary Information and Other Information - State or Local Governmental Entity	1-2
Management's Discussion & Analysis	3-10
FINANCIAL STATEMENTS	
Statement of Net Position	11
Statement of Revenues, Expenses & Changes in Net Position	12
Statement of Cash Flows	13-14
Notes to Financial Statements	15-27
SINGLE AUDIT SECTION	
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	28-29
Report on Compliance for Each Major Program; Report on Internal Control Over Compliance	30-31
Status of Prior Audit Findings	32
Schedule of Findings and Questioned Costs	32
SUPPLEMENTAL INFORMATION	
Financial Data Submission Summary - Statement of Net Position Accounts	33-34
Financial Data Submission Summary - Schedule of Revenues, Expenses and Change in Net Position Accounts	35-37
Financial Data Submission Summary - Statement of Net Position Accounts - AMPs	38-39
Financial Data Submission Summary - Schedule of Revenues, Expenses and Changes in Net Position Accounts - Combined Schedule - AMPs	40-42
Schedule of Expenditures of Federal Financial Awards	43
Notes to the Schedule of Expenditures of Federal Awards	44
SUPPLEMENTAL INFORMATION	
SPECIAL REPORTS	
Schedule and Certification of Actual Modernization Costs Phase SC16P024501-15	45

**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

**REPORT ON EXAMINATION
OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION
AND OTHER INFORMATION – STATE OR LOCAL GOVERNMENTAL ENTITY
INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners
South Carolina Regional
Housing Authority No. 3
Barnwell, SC 29812

Columbia Office
Public Housing Division
1835 Assembly Street
Columbia, South Carolina 29201-2480

Report on Financial Statements

We have audited the accompanying financial statements of the South Carolina Regional Housing Authority No. 3 as of and for the year ended June 30, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 of material misstatement.

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

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the South Carolina Regional Housing Authority No. 3, as of June 30, 2018, and the respective changes in financial position and, where appropriate, cash flows 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 Management's Discussion and Analysis, as listed in the table of contents, should 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 inquires 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 procedure did not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the South Carolina Regional Housing Authority No. 3. The accompanying 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* (Uniform Guidance), as well as the Financial Data Schedule and Special Reports required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the 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 financial statements.

This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2018 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of the 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 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.



Rector, Reeder & Lofton, P.C.
Certified Public Accountants

Lawrenceville, Georgia
November 20, 2018

**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FYE JUNE 30, 2018

Management's Discussion and Analysis

The management of South Carolina Regional Housing Authority No. 3 (SCRHA3), central office located in Barnwell, South Carolina, provides to the readers of SCRHA3's financial statements this narrative overview and analysis of SCRHA3's financial activities for the year ended June 30, 2018. This discussion and analysis is designed to assist the reader in focusing on significant financial measures, provide an overview of SCRHA3's financial activity, identify changes in financial position, and identify individual program issues or concerns. This report will focus on SCRHA3 as a whole (authority-wide) and on the major individual programs. Readers should consider the information presented here in conjunction with SCRHA3's financial statements to obtain a full understanding of its financial position.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34).

Financial Highlights

- SCRHA3's total net position increased by \$47,698 or 0.23% during FY 2018. Net position is reported in compliance with GASB 34 with the value of capital assets reduced by depreciation and expensing of "soft costs" from major rehab work.
- Total revenues increased by \$961,175 or 10.93% from FY 2017, mainly as a result of increased grant funding.
- Total expenses of all SCRHA3's programs increased by \$630,357 or 6.94% during FY 2018 and were \$9,708,218 and \$9,077,861 for FY 2018 and FY 2017, respectively. The increase was spread across most expense categories.
- Total excess of revenues over expenses (net income/loss) increased by \$330,818 or 116.85% during FY 2018.

Required Financial Statements

The Financial Statements of SCRHA3 report information using accounting methods similar to those used by private sector companies (Enterprise Funds).

The Statement of Net Position includes all of SCRHA3's assets and liabilities and provides information about the amounts invested in capital assets and the obligations to creditors. It also provides a basis of assessing the liquidity and financial performance of SCRHA3.

The current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Change in Net Position. This statement measures the success of the SCRHA3's operations over the past fiscal year.

Program Financial Statements

Traditional users of government financial statements will find the Program Financial Statement presentation more familiar. The focus is on Major Programs, rather than program types. As dictated by GASB 34, SCRHA3 utilizes Enterprise Fund Accounting with full accrual basis. Many of the programs maintained by SCRHA3 are required by the Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

Types of Programs

Conventional Public Housing - Under the conventional Public Housing Program, SCRHA3 maintains and rents approximately 787 units to low-income households scattered over seven counties in southwestern South Carolina. The properties are grouped in seven Asset Management Properties (AMPs) plus AMP 8, the Homeownership Program. The Homeownership Program is operated under HUD Section 32 requirements. The goal of the Homeownership program is to turn low to moderate income working families into homeowners by providing assistance as needed, e.g. credit counseling, home purchase, secondary financing. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD and HUD provides Operating Subsidy to enable SCRHA3 to provide the housing at a rent that is based upon 30% of household income.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, SCRHA3 administers contracts with independent landlords that own the rental property. SCRHA3 subsidizes the family's rent through a Housing Assistance Payment made to the landlord. Just as in Conventional Public Housing, the resident's share of the rent is based on 30% of household income. The program is administered under an Annual Contributions Contract with HUD.

Capital Fund Program - The Capital Fund Program is a grant program funded by HUD that is used primarily for capital improvements, modernization of units, and management improvements. These funds can only be used for Public Housing programs and properties. During FY 18 the following improvements were completed or were in progress: Installed fencing at Branchville; Repaired walkways at all properties; Replaced roofing where needed on 5 properties; Completed replacing the water mains and continued replacing unit water lines at Barnwell Litchfield Apartments (100 units); Replaced vinyl at Moncks Corner (80 units plus office building) and started replacing the vinyl at St. Stephen (40 units); Replaced the roof on one of the individual houses; Continued our minor rehab program as apartments become vacant to include new flooring, base boards, replacing tubs and tub enclosures and other major repairs as needed, processing a total of 71 units during the year, paying local contractors a total of \$177,553; 185 units were treated for bed bugs; 91 refrigerators, stoves and hot water heaters were replaced with Energy Star appliances as new ones were needed; 4 speed rooters were purchased to assist in sewer repairs; 7 generators were purchased for use during power outages from storms; We began a summer enrichment (drug prevention) program. During the summer of 2017 we started at two properties. For the summer of 2018, we expanded to a total of 4 properties. We had an average daily attendance of 160 children from ages 3 to 16 at the four sites. Class was from 9 to 3 five days a week

and included breakfast and lunch. Fun activities and field trips were included. Teachers and helpers were paid for their time, giving some residents, older resident youths and local community members summer income and back to school funds; A 15 passenger van was purchased for use at all properties for the transportation of residents to various programs and gatherings; We also have an ongoing resident employee training program that during FY 2018 provided training and a pay check for three residents.

Local Programs - The Homeownership Program has become AMP 8 under the Asset Management System and has been consolidated with the Public Housing program. The remaining local program is a housing management program for contracting with private or non-profit owners of low-income rental units to manage the properties for a fee.

Authority-Wide Statement of Net Position

South Carolina Regional Housing Authority No. 3 Comparative Statement of Net Position

TABLE I

	2018	2017	Total Change	% Change
Current Assets	\$ 9,381,589	\$ 8,899,064	\$ 482,525	5.42%
Capital Assets	12,331,759	12,658,126	(326,367)	-2.58%
Other Noncurrent Assets	256,407	269,497	(13,090)	-4.86%
Total Assets	\$ 21,969,755	\$ 21,826,687	\$ 143,068	0.66%
Current Liabilities	\$ 441,695	\$ 389,207	\$ 52,488	13.49%
Noncurrent Liabilities	333,536	290,654	42,882	14.75%
Total Liabilities	775,231	679,861	95,370	14.03%
Investment in Capital Assets	12,331,759	12,658,126	(326,367)	-2.58%
Restricted	2,020,183	2,012,137	8,046	0.40%
Unrestricted	6,842,582	6,476,563	366,019	5.65%
Total Net Position	21,194,524	21,146,826	47,698	0.23%
Total Liabilities & Net Position	\$ 21,969,755	\$ 21,826,687	\$ 143,068	0.66%

CASH AND INVESTMENTS increased by \$400,904 or 5.48%. Of the cash deposits, \$423,976 is restricted for use for other housing needs in the Home Ownership Program and \$2,669 is restricted for use under the Section 8 Housing Choice Voucher Program for tenant rental assistance only. Additionally, \$144,344 has been restricted for tenant security deposits. Of the investment deposits, \$613,736 has been restricted for loan obligations related to the Home Ownership Program. Investments of \$4,014,199 were purchased during the year using cash deposits.

ACCOUNTS RECEIVABLE increased from \$256,055 to \$324,086 by \$68,031 or 26.57%.

This was due to an increase in the amounts due from HUD of \$110,576.

PREPAID EXPENSES increased by \$20,235 or 43.80% due to an increase in the prepayment of Workers Compensation Insurance for the quarter of Jul-Sep 18 and having to prepay registrations and hotel reservations for an annual conference held in August 18 for the first time.

MATERIALS INVENTORY, net decreased by \$6,645 or 1.79%.

ASSETS HELD FOR SALE remained unchanged for FY2018.

CAPITAL ASSETS decreased by \$326,367 or 2.58% due to \$1,440,253 of depreciation expense and \$19,381 in dispositions exceeding \$1,042,161 in capital additions and \$91,106 in additions from operations. Additional details are included in the Capital Assets section of this document.

OTHER NONCURRENT ASSETS consists of notes receivable, long-term, and decreased by \$13,090 or 4.86%.

CURRENT LIABILITIES increased by \$52,488 or 13.49%. These increases were due to increases in all categories with the largest in vendors' payable of \$20,857 or 16.91% due to the timing of payables at year-end.

NONCURRENT LIABILITIES increased by \$42,882 or 14.75% due to an increase in the noncurrent portion of accrued compensated absences.

TOTAL NET POSITION increased by \$47,698 or 0.23% from FY 2017 to FY 2018. Investment in capital assets decreased by \$326,367 or 2.58% due to depreciation expense exceeding additions for the year. Restricted net position increased by \$8,046 or 0.40% due to increased restricted funds. Unrestricted net position increased by \$366,019 or 5.65% due to the results of operations.

Authority-Wide Statement of Revenues, Expenses and Change in Net Position**South Carolina Regional Housing Authority No. 3
Comparative Statement of Revenues, Expenses and Change in Net Position****TABLE II**

	2018	2017	Total Change	% Change
Tenant Revenue	\$ 848,343	\$ 742,046	\$ 106,297	14.32%
Operating Grants	7,430,445	6,984,211	446,234	6.39%
Capital Grants	1,042,161	646,340	395,821	61.24%
Interest Income	26,704	12,808	13,896	108.49%
Other Income	408,263	432,377	(24,114)	-5.58%
Gain/(Loss) on Dispositions	-	(23,041)	23,041	100.00%
Total Revenue	9,755,916	8,794,741	961,175	10.93%
Administration	2,763,632	2,541,305	222,327	8.75%
Tenant Services	32,197	24,108	8,089	33.55%
Utilities	436,521	432,312	4,209	0.97%
Maintenance	1,408,182	1,182,770	225,412	19.06%
Protective Services	-	6,003	(6,003)	-100.00%
General Expense	268,262	246,865	21,397	8.67%
Housing Assistance Payment	3,359,171	3,192,163	167,008	5.23%
Depreciation	1,440,253	1,452,335	(12,082)	-0.83%
Total Expenses	9,708,218	9,077,861	630,357	6.94%
Change in Net Position	47,698	(283,120)	330,818	116.85%
Beginning Net Position	21,146,826	21,429,946	(283,120)	-1.32%
Ending Net Position	\$ 21,194,524	\$ 21,146,826	\$ 47,698	0.23%

TOTAL REVENUES increased from \$8,794,741 to \$9,755,916, an increase of \$961,175 or 10.93% during FY 2018. As illustrated by Table II, the major increase in revenue was in grant revenue of \$842,055 or 11.04%. Capital Fund draws increased by \$434,898 or 40.69% due to increased needs during the current fiscal year. Operating subsidy amounts increased slightly by \$151,820 or 4.86%. And Housing Choice Voucher funding increased by \$227,198 or 6.67% due to increased utilization.

TOTAL EXPENSES increased by \$630,357 or 6.94% during FY 2018. Administrative expenses increased by \$222,327 or 8.75% which was due to employee cost of living raises of 3% and more employee hours being utilized for general support, increases in the cost of health insurance and workers compensation insurance, increases in the cost of office supplies, software and connectivity support, vehicle repairs, fuel for vehicles, and additional staff training. Tenant services increased by \$8,089 or 33.55% due to increased activities during the year. Utility expenses increased slightly by \$4,209 or 0.97% due to normal fluctuations and rate increases in some locations. Total maintenance costs increased by \$225,412 or 19.06%, which was due to an increase in

contract costs of \$135,266 or 42.58% due to a change in the middle of FY2017 from utilizing grant funds for cleanup and repairs of units to the use of operating funds to pay contractors. Additionally, increased use of contractors were needed for routine repairs due to a shortage and turnover of maintenance personnel, and major landscaping and curb appeal projects at two properties. Protective services decreased by \$6,003 or 100% due to the security camera installation project in FY2017, which was a one-time expense. General expenses increased by \$21,397 or 8.67% due to increases in insurance premiums of \$4,558 or 2.66% and increases in compensated absences, PILOT and bad debt expense. HAP expense increased by \$167,008 or 5.23% due to increased utilization. Finally, depreciation expense decreased by \$12,082 or 0.83% due to normal calculations.

Summary of Housing Choice Voucher Program Activity

**South Carolina Regional Housing Authority No. 3
Housing Choice Voucher Program
Statement of Revenues, Expenses and Change in Net Position
TABLE III**

	2018	2017	Total Change	% Change
HUD PHA Grant	\$ 3,635,013	\$ 3,407,815	\$ 227,198	6.67%
Other	60,367	106,537	(46,170)	-43.34%
Total Revenue	3,695,380	3,514,352	181,028	5.15%
Administration	324,737	313,195	11,542	3.69%
Maintenance	4,554	2,723	1,831	67.24%
General Expense	21,016	19,643	1,373	6.99%
Depreciation	2,386	2,386	-	0.00%
Housing Assistance Payment	3,359,171	3,192,163	167,008	5.23%
Total Expenses	3,711,864	3,530,110	181,754	5.15%
Excess of Revenues over Expenses	(16,484)	(15,758)	(726)	-4.61%
(Gain)/Loss in HAP equity*	(2,222)	2,853	(5,075)	-177.88%
Gain/(Loss) in Admin Fee Equity	\$ (18,706)	\$ (12,905)	\$ (5,801)	-44.95%
HCV Unit Months Leased	6,864	5,875	989	16.83%
Average HAP payment	\$ 489	\$ 543	\$ (54)	-9.93%

*The HAP equity is only available for payment of Housing Assistance Payments (HAP) and Utility Assistance Payments (UAP) on behalf of voucher holders and can not be used for administrative expenses or other housing programs.

Summary of Capital Asset Activity

South Carolina Regional Housing Authority No. 3 Comparative Statement of Capital Assets

TABLE IV

	2018	2017	Total Change	% Change
Land & Improvements	\$ 2,573,272	\$ 2,317,213	\$ 256,059	11.05%
Buildings & Improvements	39,720,724	39,335,200	385,524	0.98%
Equipment	2,026,662	1,933,608	93,054	4.81%
Construction in Progress	1,333,626	969,459	364,167	37.56%
	45,654,284	44,555,480	1,098,804	2.47%
Accumulated Depreciation	(33,322,525)	(31,897,354)	(1,425,171)	4.47%
Total Capital Assets	\$ 12,331,759	\$ 12,658,126	\$ (326,367)	-2.58%

The following transactions affected capital asset balances during the audit period:

Balance at July 1, 2017	\$ 12,658,126
Current period additions - CFP	1,042,161
Current period additions - Operations	91,106
Current period transfers	-
Net disposition of assets	(19,381)
Current period depreciation expense	(1,440,253)
Balance at June 30, 2018	\$ 12,331,759

Debt Activity

As of June 30, 2018, the Authority had no outstanding debt.

Economic Factors

Significant economic factors affecting SCRHA3 are as follows:

- The Department of Housing and Urban Development has historically underestimated the subsidy needs of public housing authorities. With the change to calendar year funding in 2006 and a mandated change to an Asset Management type of property management, we anticipate this trend to continue and accelerate in the future. We did gain in the recalculation of the base starting point for the HUD calculations for Public Housing funding but that has been offset by HUD reducing the funding to every public housing program by the same percentage based on the funding HUD receives.
- HUD implemented changes to the Housing Choice Voucher Program (Section 8), starting Jan 1, 2004, that limited the amount of funding for Housing Assistance

Payments to landlords and the administrative fee income that can be earned. We do not receive enough funds to lease up to our authorized number of vouchers. While the demand for rental assistance remains very high, the maximum amount of rental assistance that HUD allows for payment each month is so low for our areas that, even after years on the waiting list and then finally receiving a voucher, a family often has a difficult time finding a suitable residence. Our administrative expenses are more per unit than the average for a Housing Authority because of the large geographical area we cover. The admin fee portion was funded at about 83% of our authorized amount for calendar year 2018. Our administrative fee reserve was almost depleted at the end of FY 18 because of not being funded at the authorized level to cover current administrative expenses.

- We are starting to see some small manufacturing plants moving into our area to replace some that had closed during the economic downturn. However, rents are increasing faster than wages, creating a great demand for our services. We have waiting lists for every type of housing offered and some families wait years to be offered an apartment or a voucher. Unemployment in many of the counties we serve continues to be higher than the state as a whole and the national average. Some of our residents who are employed have jobs where the hours vary from week to week or who are laid off and then called back. This means that many are unaware if they will be working that week or not. This facilitates a resident population unable to move on to homeownership or leave subsidized housing.

Requests for Information

The financial report is designed to provide a general overview of SCRHA3's accountability for all those interested. If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

South Carolina Regional Housing Authority No. 3
Attn: Karen Burdick, Director of Finance
P.O. Box 1326
Barnwell, SC 29812

**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3

Barnwell, South Carolina

STATEMENT OF NET POSITION

JUNE 30, 2018

ASSETS

Current Assets

Cash & equivalents - unrestricted	\$ 2,796,491
Cash & equivalents - restricted	570,989
Accounts receivable, net	315,397
Mortgages receivable - current	8,689
Investments - unrestricted	3,735,909
Investments - restricted	613,736
Prepaid expenses	66,434
Inventories, net	365,043
Assets held for sale	908,901
	<hr/>
Total Current Assets	9,381,589

Noncurrent Assets

Mortgages receivable - non current	256,407
	<hr/>
Capital Assets:	
Land & Improvements	2,573,272
Buildings	39,720,724
Furniture & equipment	2,026,662
Construction in progress	1,333,626
	<hr/>
	45,654,284
Less: Accumulated depreciation	(33,322,525)
	<hr/>
Total Capital Assets	12,331,759
	<hr/>
Total Noncurrent Assets	12,588,166
	<hr/>
TOTAL ASSETS	\$ 21,969,755

The accompanying notes are an integral part of the financial statements.

LIABILITIES & NET POSITION

Current Liabilities

Accounts payable	\$	179,970
Accrued liabilities		96,646
Unearned revenue		20,735
Tenant security deposits/escrow deposits		<u>144,344</u>

Total Current Liabilities		<u>441,695</u>
---------------------------	--	----------------

Noncurrent Liabilities

Accrued compensated absences		<u>333,536</u>
------------------------------	--	----------------

Total Noncurrent Liabilities		<u>333,536</u>
------------------------------	--	----------------

TOTAL LIABILITIES		<u>775,231</u>
-------------------	--	----------------

NET POSITION

Investment in Capital Assets		12,331,759
Restricted		2,020,183
Unrestricted		<u>6,842,582</u>

TOTAL NET POSITION		<u>21,194,524</u>
--------------------	--	-------------------

TOTAL LIABILITIES & NET POSITION	\$	<u><u>21,969,755</u></u>
----------------------------------	----	--------------------------

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Operating Revenues

Dwelling rent	\$ 848,343
Governmental grants & subsidy	7,430,445
Other income	408,263
Total Operating Revenues	<u>8,687,051</u>

Operating Expenses

Administration	2,763,632
Tenant services	32,197
Utilities	436,521
Maintenance & operations	1,408,182
General expense	268,262
Housing assistance payments	3,359,171
Depreciation expense	1,440,253
Total Operating Expense	<u>9,708,218</u>

Net Operating Income/(Loss)	<u>(1,021,167)</u>
------------------------------------	---------------------------

Nonoperating Revenues/(Expenses)

Investment income	26,704
Net Nonoperating Revenues/(Expenses)	<u>26,704</u>

Net Income/(Loss) before capital contributions	(994,463)
---	------------------

Capital grants	<u>1,042,161</u>
----------------	------------------

Increase/(Decrease) in Net Position	47,698
--	---------------

Total Net Position - beginning	<u>21,146,826</u>
--------------------------------	-------------------

Total Net Position - ending	<u>\$ 21,194,524</u>
-----------------------------	-----------------------------

The accompanying notes are an integral part of the financial statements.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,256,606
Governmental grants & subsidy - operations	7,430,445
Payments to suppliers	(3,843,339)
Payments for housing assistance	(3,359,171)
Payments to employees	<u>(1,052,563)</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>431,978</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(4,014,199)
Proceeds from notes receivable	13,947
Interest income	<u>26,704</u>
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	<u>(3,973,548)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grant revenue - capital grants	1,042,161
Acquisition and construction of capital assets - capital grants	(1,042,161)
Acquisition and construction of capital assets - operations	(91,106)
Proceeds from disposition of equipment	<u>19,381</u>
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(71,725)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,613,295)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>6,980,775</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 3,367,480</u>

The accompanying notes are an integral part of the financial statements.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3

Barnwell, South Carolina

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income/(Loss) from operations	\$ (1,021,167)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	1,440,253
Decrease (Increase) in accounts receivable	(68,888)
Decrease (Increase) in prepaid expenses	(20,235)
Decrease (Increase) in inventory	6,645
Increase (Decrease) in accounts payable	25,782
Increase (Decrease) in accrued liabilities	54,750
Increase (Decrease) in unearned revenue	7,406
Increase (Decrease) in security/trust deposits	<u>7,432</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>\$ 431,978</u>

The accompanying notes are an integral part of the financial statements.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

1. Introduction:

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The following summary of the more significant accounting policies is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

2. Organization:

The South Carolina Regional Housing Authority No. 3 ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of South Carolina for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, a Governing Board is appointed by the State Senate with representatives drawn from one or more of the nine counties where the authority has a presence. The Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein.

3. Reporting Entity:

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 and 61 of the Government Accounting Standards Board, the Financial Reporting Entity*.

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on Region 3 and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Appointment of a Voting Majority - The Authority is governed by a Board of Commissioners appointed by the state senator overseeing the applicable district and has governance responsibilities over all activities related to all housing activities within Region 3. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the City; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

Imposition of Will - The City has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

3. Reporting Entity: (Cont'd)

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in the Region 3 financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs.

A summary of each of the programs administered by the Authority included in the financial statements is provided below to assist the reader in interpreting the financial statements. These programs constitute all programs subsidized by HUD and operated by the Authority.

Public Housing Agency Owned Housing Program - The public housing agency owned housing program is designed to provide low-cost housing within the County of Barnwell and six surrounding counties. Funding is provided by eligible residents who are charged monthly rent based on family size, family income, and other determinants, as well as by subsidies provided by HUD.

Capital Fund Program - The purpose of the capital fund program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

State & Local Program - There is one local program under the Housing Authority umbrella. The housing management program contracts with private or non-profit owners of low-income rental units to manage the properties for a fee. The Homeownership program, operated under HUD Section 32 requirements, has become an Asset Management Property (AMP) and is included in the consolidated financial statements. The goal of the Homeownership program is to turn low to moderate income working families into homeowners by providing assistance as needed, e.g. credit counseling, home purchase, secondary financing.

Housing Choice Voucher Program - Section 8 of the Housing and Community Development Act of 1974 provides subsidies ("Housing Assistance Payments") on behalf of lower-income families to participating housing owners. Under this program, the landlord-tenant relationship is between a housing owner and a family rather than the Authority and a family as in other low-income housing programs. For existing housing, and in some cases in new construction and substantial rehabilitation, HUD contracts with the Authority to enter into contracts with owners to make assistance payments for the difference between the approved contract rent and the actual rent paid by the lower-income families. With regard to new or substantially rehabilitated housing under the Housing Assistance Payments Program, the Authority may also be the owner-developer.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Basis of Presentation, Basis of Accounting and Measurement Focus:

Basis of Accounting - The Authority uses the accrual basis of accounting in all programs. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a consolidated fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the Statement of Net Position.

Proprietary fund equity is segregated into three broad components: Net Investment in Capital Assets, Restricted and Unrestricted. The Authority uses the following consolidated business type fund:

Proprietary fund:

Enterprise fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

5. Revenues and Expenses:

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

6. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

7. Budgets:

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets, which are formally adopted by its Governing Board of Commissioners.

8. Inventories:

Inventories are recorded at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

9. Subsidies:

Subsidies received from the Department of Housing and Urban Development or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to non-operating revenue.

10. Capital Assets and Depreciation:

Capital assets are stated at historical cost. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures and equipment. All infra-structure assets were capitalized at the conclusion of development then dedicated to the applicable municipality for maintenance and repairs. Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is normally reported on the Statement of Net Position. A minimum value of \$5,000 per item is assigned for asset capitalization using the straight line method of depreciation.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	20-30 years
Furniture, fixtures & equipment	5-10 years

11. Collection Losses:

Collection losses on accounts receivable are expended, in the appropriate Fund, on the specific write-off method.

12. Insurance:

The primary technique used for risk financing is the participation in the State of South Carolina Insurance Reserve Fund pool. This provides adequate coverage at lower cost than can be purchased from commercial insurers. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the field work, the Authority had required coverage in force.

13. Cash and Investments:

The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of twelve months or less when purchased to be cash equivalents. Investments are stated at market value, except for U. S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/ (decreases) in gains made.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

14. Compensated Absences:

Compensated absences are absences for which, employees will be paid, i.e., sick leave, vacation, and other approved leave. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by employee's *Reporting Entity*.

15. Income Taxes:

The South Carolina Regional Housing Authority No. 3 is a Quasi-governmental entity. The Authority is not subject to Federal or State income taxes.

16. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

17. Operating Revenue:

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to residents for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement.

18. The terms of the Board are as follows:

Douglas Haley, Chairman	November 8, 2023
Kiffany Perlote	April 23, 2020
Matthew Way	April 23, 2020
Jamie White	April 23, 2020
Ann L. Freeman	April 23, 2020
Lillie Dorch	November 5, 2023

In addition to the above Commissioners, the Administrator of the Housing Authority is Robert Thomas, who serves on the Board as Secretary and is the Executive Director. Based upon the above criteria all the operations of the PHA are included in these financial statements and there are no operations or component units, which have been excluded in this report.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

19. New Accounting Pronouncements:

During FY 2018, there were no new pronouncements implemented that impact the presentation of the financial statements and/or note disclosures.

NOTE B - CASH AND INVESTMENTS:

All the deposits of the South Carolina Regional Housing Authority No. 3 are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The South Carolina Regional Housing Authority No. 3 has no policy regarding custodial credit risk for deposits.

At June 30, 2018, the Authority's total deposits had a carrying amount of \$7,716,725 and bank balances of \$7,826,443. Of the bank balances held in various financial institutions, \$1,272,384 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. There was a balance of \$400 in petty cash.

Investments:

At June 30, 2018, the Authority's investment balances were as follows:

Investment Type	Market Value	Maturity	Rating
Certificates of Deposit	337,044	varies	N/A
Investment Portfolio	4,012,601	varies	N/A

Interest rate risk - As a means of limiting its exposure to market value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 13 months or less. The South Carolina Regional Housing Authority No. 3 has no specific policy regarding interest rate risk.

Credit risk - The Authority has no policy regarding credit risk.

Custodial credit risk - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no policy on custodial credit risk.

Concentration of credit risk - The Authority places no limit on the amount that it may invest in any one issuer. The Authority has no policy regarding concentration of credit risk.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(Continued)

NOTE B - CASH AND INVESTMENTS: (Cont'd)

Cash and investments at June 30, 2018, were as follows:

Checking accounts	\$ 3,367,080
Investment Portfolio	4,012,601
Certificates of Deposit	337,044
Petty cash	<u>400</u>
	<u>\$ 7,717,125</u>

Of the above amounts, \$2,669 is considered restricted for Housing Choice Voucher Program HAP Equity that is reserved for future payments to landlords, and \$423,976 is considered restricted for Homeownership program activities in AMP 8. Additionally, \$144,344 has been restricted for tenant security deposits. Of the investment deposits, \$613,736 has been restricted for loan obligations related to the Home Ownership Program.

Collateralization:

First Citizens Bank & Trust has a pooled U.S. Government Agencies collateral account held at the Federal Reserve Bank to collateralize all monies on deposit in trust accounts in excess of FDIC coverage. All funds on deposit are collateralized by an additional 5% to accommodate any fluctuation of cash. Assets collateralized to cover any FDIC excess are pledged for all trust accounts and are not designated per individual trust accounts. As of June 30, 2018, \$7,093,264 of market value securities was pledged as collateral against the Authority's deposits.

NOTE C - ACCOUNTS RECEIVABLE:

Accounts receivable at June 30, 2018, consisted of the following:

A/R - tenants (net of allowance of \$3,779)	\$ 3,536
A/R - fraud (net of allowance of \$12,798)	0
A/R - HUD	173,684
A/R - Southeastern Housing and Community Development	137,040
A/R - miscellaneous	159
Notes receivable – current	8,689
Accrued mortgage interest receivable	<u>978</u>
	<u>\$ 324,086</u>

The above receivables balance excludes \$183,914 of interfund balances that have been eliminated as a result of financial statement consolidation.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE D - INVENTORY, PREPAID EXPENSES AND ASSETS HELD FOR SALE:

As of June 30, 2018, the PHA carried the following balances as inventory and prepaid expenses:

Inventory (net of allowance for obsolescence of \$1,790)	\$ 365,043
Prepaid expenses	66,434
Assets held for sale (Homeownership Program Housing Inventory)	<u>908,901</u>
	<u>\$ 1,340,378</u>

The Housing Inventory for the local homeownership program consists of 28 scattered site units which are currently on the market for sale. As these units are sold the funds received will be used to provide additional homeownership opportunities for program-eligible participants.

NOTE E - MORTGAGE RECEIVABLE:

Mortgages receivable at June 30, 2018, are as follows:

Homebuyer First Mortgages held by SCRHA #3, interest rates & maturities vary	\$ 265,096
Homebuyer Second and Third Mortgages held by SCRHA #3, no stated interest rate, variable due dates	223,500
Less allowance for forgivable notes receivable	<u>(223,500)</u>
	<u>\$ 265,096</u>

Note: \$8,689 of the above amounts is considered current as of June 30, 2018. The remaining \$256,407 is considered non-current. All second and third mortgages are forgivable by the PHA and considered not collectible since they are slated for forgiveness with the passage of time.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE F - CAPITAL ASSETS:

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2018:

	Balance at June 30, 2017	Additions/ Depreciation	Transfers	Adjustments/ Dispositions	Balance at June 30, 2018
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 2,317,213	\$ 256,059	-	-	\$ 2,573,272
Construction in progress	969,459	364,167	-	-	1,333,626
Total capital assets not being depreciated	3,286,672	620,226	-	-	3,906,898
Buildings & improvements	39,335,200	385,524	-	-	39,720,724
Furniture & equipment	1,933,608	127,517	-	(34,463)	2,026,662
Total capital assets being depreciated	41,268,808	513,041	-	(34,463)	41,747,386
Less accumulated depreciation for:					
Buildings & improvements	(30,706,071)	(1,287,312)	-	-	(31,993,383)
Furniture & equipment	(1,191,283)	(152,941)	-	15,082	(1,329,142)
Total accumulated depreciation	(31,897,354)	(1,440,253)	-	15,082	(33,322,525)
Total capital assets being depreciated	9,371,454				8,424,861
Enterprise activity capital assets, net	\$ 12,658,126				\$ 12,331,759

The following transactions affected capital assets during the audit period:

Balance at July 1, 2017	\$ 12,658,126
Current period additions - Capital Fund Programs	1,042,161
Current period additions - Operations	91,106
Net disposition of assets	(19,381)
Current period depreciation expense	(1,440,253)
Balance at June 30, 2018	\$ 12,331,759

NOTE G - ACCOUNTS PAYABLE:

Accounts payable consisted of the following at June 30, 2018:

A/P – Vendors	\$ 144,194
Tenant security deposits	144,344
Due to various municipalities - Payments in Lieu of Taxes	35,776
	\$ 324,314

The above payables balance excludes \$183,914 of interfund balances that have been eliminated as a result of financial statement consolidation.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE H - ACCRUED LIABILITIES AND UNEARNED REVENUE:

Accrued liabilities and unearned revenue consisted of the following at June 30, 2018:

Accrued wages/payroll taxes payable	\$ 38,302
Accrued compensated absences - current portion	47,391
Other current liabilities	10,953
Tenants prepaid rents	<u>20,735</u>
	<u>\$ 117,381</u>

NOTE I - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES:

Public Housing - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. Total operating subsidy contributions for the year ended June 30, 2018, were \$3,724,231.

Housing Choice Voucher Program - for 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 with respect to existing and moderately rehabilitated housing 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. The Authority is also eligible to receive reimbursement for preliminary expenses prior to lease up.

HUD contributions for the year ended June 30, 2018, were as follows:

Section 8 Housing Choice Vouchers	<u>\$ 3,635,013</u>
-----------------------------------	---------------------

NOTE J - HUD-GUARANTEED DEBT:

Payable by HUD - Washington:

Bonds payable on Public Housing are due annually in installments of varying principal and interest amounts. These bonds were removed and reclassified as contributed capital in a prior period. These liabilities were issued to provide for the development and modernization of low-rent housing units. These bonds and notes are serviced and payable by HUD Washington and secured by annual contributions. The bonds and notes do not constitute a direct obligation of the Authority and accordingly have not been reported in the accompanying financial statements.

NOTE K - RISK MANAGEMENT:

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

(Continued)

NOTE L - OTHER NON-CURRENT LIABILITIES:

Other non-current liabilities at June 30, 2018, consisted of the following:

Accrued compensated absences - net of current					<u>\$ 333,536</u>
	Balance at 07/01/17	Increases	Decreases	Balance at 06/30/18	Current Portion
Compensated absences	\$ 329,567	\$ 51,360	\$ 0	\$ 380,927	\$ 47,391

NOTE M - RESTRICTED NET POSITION:

As of June 30, 2018, the Authority had \$2,020,183 in restricted net position. \$2,669 was restricted in the Housing Choice Voucher program related to Housing Assistance Payment grant income. The remaining \$2,017,514 was restricted in AMP 8 in Public Housing. AMP 8 is comprised of units held for sale which formerly were part of the Authority's Homeownership program, prior to asset management implementation. Proceeds from any sales of these units are restricted for further homeownership activities.

NOTE N - IMPAIRMENT OF CAPITAL ASSETS:

In accordance with financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended June 30, 2018, the South Carolina Regional Housing Authority No. 3 experienced no impairments.

NOTE O - DEFINED CONTRIBUTION PENSION PLAN:

The Authority provides a defined contribution pension plan for eligible full-time employees. The Authority contributes an amount equal to 13.5% of each employee's annual compensation to the plan, and accounts for pension costs as incurred. Pension expense (excluding funds provided by other programs) totaled \$293,568 and covered payroll was \$2,174,719 for the year ended June 30, 2018. Pension expense for FY 2017 and FY 2016 was \$276,976 and \$275,588, respectively.

This plan is administered by United Retirement Plan Consultants with funds invested through Ohio National Financial Services. If an employee chooses life insurance as part of the plan, that is with Penn Mutual Life. All regular employees are eligible after 1 year of service and attaining the age of 21. Employees become vested at 20% per year, fully vested after 5 years of service. United Retirement Plan Consultants can be contacted at 1966 Greenspring Drive, Suite 104, Timonium, MD 21093; Ohio National Financial Services at P.O. Box 237, Cincinnati, OH 45201-0237; and Penn Mutual Life at P.O. Box 178, Philadelphia, PA 19105.

Other than the above mentioned pension plan, the Authority does not participate in Other Post-Employment Benefits.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE P - ECONOMIC DEPENDENCY:

Both the PHA Owned Housing Program and the Section 8 Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

NOTE Q - POST-EMPLOYMENT BENEFITS (OTHER THAN PENSIONS):

GASB Statements No. 12 and No. 45 require the disclosure of liabilities related to Post-employment benefits other than Pension Benefits by State and Local Government Employers. A review of employee benefits policy plans and benefits revealed that the South Carolina Housing Authority Number 3 provides no provisions for post-employment fringe benefits. Accordingly, no expenses or accrued liabilities are reflected in the financial statements for the fiscal year ended June 30, 2018.

NOTE R - COMMITMENTS & CONTINGENCIES:

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries. There were no examinations conducted during the current year.

Grants and contracts:

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with 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. There were no such liabilities recorded as of June 30, 2018.

The Section 8 Housing Choice Voucher Program (the "Program") under the implementation of the Consolidated Appropriations Act 2005, Funding Provisions for the Housing Choice Voucher Program, changed the funding methodology, and in addition the Authority, is no longer required to complete a settlement statement. As a result, in accordance with GASB Statement No. 33 and PIH Notice 2008-9, the cumulative amount of unspent housing assistance payment subsidy as of June 30, 2018, is being reflected in restricted net position in the basic financial statements.

Capital fund Program:

The Authority receives capital funding each year for ongoing capital improvements, repairs, and maintenance.

NOTE S - RELATED PARTY TRANSACTIONS:

There were no related party transactions outside of the affiliate detailed in Note T to be reported for the fiscal year ended June 30, 2018.

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE T - MANAGEMENT OF AFFILIATE - SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT:

The South Carolina Regional Housing Authority No. 3 has provided property management services for the Southeastern Housing and Community Development since 1999. All management fees received from SEHF are included in the operations of the Management fund. During the fiscal year, \$310,662 of management fee income was recognized. The Southeastern Housing and Community Development is a legally separate non-profit corporation that provides housing opportunities to low and moderate-income residents of the State of South Carolina. In addition, \$33,918 of administrative fees remained payable to the non-federal programs of SC Regional Housing Authority No. 3 as of June 30, 2018.

NOTE U - SUPPLEMENTAL INFORMATION:

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

NOTE V - SUBSEQUENT EVENTS:

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through November 20, 2018 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statement.

NOTE W - PRIOR PERIOD ADJUSTMENTS/SPECIAL ITEMS:

There were no prior period adjustments or special items recorded in the current fiscal year.

**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

SINGLE AUDIT SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



**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**
INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
South Carolina Regional
Housing Authority No. 3
Barnwell, SC 29812

Columbia Office
Public Housing Division
1835 Assembly Street
Columbia, South Carolina 29201-2480

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 South Carolina Regional Housing Authority No. 3, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the South Carolina Regional Housing Authority No. 3's basic financial statements, and have issued our report thereon dated November 20, 2018.

Internal Control Over Financial Reporting

Management of the South Carolina Regional Housing Authority No. 3 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Housing 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing 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 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 South Carolina Regional Housing Authority No. 3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Rector, Reeder & Lofton, PC
Certified Public Accountants

Lawrenceville, Georgia
November 20, 2018



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE
INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
South Carolina Regional
Housing Authority No. 3
Barnwell, SC 29812

Columbia Office
Public Housing Division
1835 Assembly Street
Columbia, South Carolina 29201-2480

Report on Compliance for Each Major Federal Program

We have audited the South Carolina Regional Housing Authority No. 3's 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 South Carolina Regional Housing Authority No. 3's major federal programs for the year ended June 30, 2018. The South Carolina Regional Housing Authority No. 3'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 each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the South Carolina Regional Housing Authority No. 3'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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 South Carolina Regional Housing Authority No. 3'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 federal program. However, our audit does not provide a legal determination on the South Carolina Regional Housing Authority No. 3's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the South Carolina Regional Housing Authority No. 3 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 June 30, 2018.

Report on Internal Control Over Compliance

The management of the South Carolina Regional Housing Authority No. 3 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 South Carolina Regional Housing Authority No. 3's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 Housing Authority's internal control over compliance.

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

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

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


Rector, Reeder & Lofton, PC
Certified Public Accountants

Lawrenceville, Georgia
November 20, 2018

**SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2017 contained no formal audit findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Expected Auditor's Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported

Type of report issued on the compliance for major programs:	Unmodified
---	-------------------

Any audit findings disclosed that are required to be reported under 2 CFR §200.516(a)?	No
--	-----------

Identification of major programs:

-CFDA #14.850	Public and Indian Housing
-CFDA #14.871	Section 8 Housing Choice Vouchers
-CFDA #14.872	Public Housing Capital Fund

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

Low Risk Auditee under 2 CFR §200.520?	Yes
--	------------

Section II – Financial Statement Findings

Findings related to financial statements in accordance with GAGAS:

NONE REPORTED

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs for Federal Awards as defined in Section .510:

NONE REPORTED

**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

SUPPLEMENTAL INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2018

<u>Account Description</u>	Low-Rent Public Hsg 14.850	State/Local	Resident Opportunity & Supportive Services 14.870	Housing Choice Vouchers 14.871	Elimination	TOTAL
ASSETS:						
CURRENT ASSETS:						
Cash:						
Cash - unrestricted	\$ 2,534,151	\$ 186,139	\$ 0	\$ 76,201	\$ 0	\$ 2,796,491
Cash - restricted	423,976	0	0	2,669	0	426,645
Cash - restricted for payment of current liabilities	0	0	0	0	0	0
Cash - tenant security deposits	144,344	0	0	0	0	144,344
Total Cash	3,102,471	186,139	0	78,870	0	3,367,480
Accounts and notes receivables:						
Accounts receivable - HUD	164,491	0	9,193	0	0	173,684
Accounts receivable - PHA projects	0	0	0	0	0	0
Accounts receivable - miscellaneous	103,281	33,918	0	0	0	137,199
Accounts receivable - tenants rents	7,315	0	0	0	0	7,315
Allowance for doubtful accounts - tenants	(3,779)	0	0	0	0	(3,779)
Allowance for doubtful accounts - other	0	0	0	0	0	0
Fraud recovery	0	0	0	12,798	0	12,798
Allowance for doubtful accounts - fraud	0	0	0	(12,798)	0	(12,798)
Accrued interest receivable	978	0	0	0	0	978
Notes receivable - current	8,689	0	0	0	0	8,689
Total receivables - net	280,975	33,918	9,193	0	0	324,086
Current investments:						
Investments - unrestricted	3,735,909	0	0	0	0	3,735,909
Investments - restricted	613,736	0	0	0	0	613,736
Prepaid expenses and other assets	62,105	1,714	0	2,615	0	66,434
Inventories	366,833	0	0	0	0	366,833
Allowance for obsolete inventories	(1,790)	0	0	0	0	(1,790)
Assets held for sale	908,901	0	0	0	0	908,901
Interprogram due from	183,914	0	0	0	(183,914)	0
TOTAL CURRENT ASSETS	9,253,054	221,771	9,193	81,485	(183,914)	9,381,589
NONCURRENT ASSETS:						
Capital Assets:						
Land	2,573,272	0	0	0	0	2,573,272
Buildings	39,720,724	0	0	0	0	39,720,724
Furniture & equipment - dwellings	397,367	0	0	0	0	397,367
Furniture & equipment - administration	1,521,355	91,236	0	16,704	0	1,629,295
Improvements	0	0	0	0	0	0
Work in process	1,333,626	0	0	0	0	1,333,626
Accumulated depreciation	(33,215,579)	(91,236)	0	(15,710)	0	(33,322,525)
Total capital assets - net	12,330,765	0	0	994	0	12,331,759
Notes receivable - noncurrent	256,407	0	0	0	0	256,407
Investment in joint ventures	0	0	0	0	0	0
TOTAL NONCURRENT ASSETS	12,587,172	0	0	994	0	12,588,166
TOTAL ASSETS	\$ 21,840,226	\$ 221,771	\$ 9,193	\$ 82,479	\$ (183,914)	\$ 21,969,755

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2018

<u>Account Description</u>	Low-Rent Public Hsg 14.850	State/Local	Resident Opportunity & Supportive Services 14.870	Housing Choice Vouchers 14.871	Elimination	TOTAL
LIABILITIES AND NET POSITION:						
LIABILITIES:						
CURRENT LIABILITIES						
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	138,921	2,539	1,519	1,215	0	144,194
Accrued salaries/payroll withholding	29,717	3,894	0	4,691	0	38,302
Accrued compensated absences	34,903	5,447	0	7,041	0	47,391
Accrued interest payable	0	0	0	0	0	0
Accounts payable - HUD	0	0	0	0	0	0
Accounts payable - other gov.	35,776	0	0	0	0	35,776
Tenant security deposits	144,344	0	0	0	0	144,344
Unearned revenue	20,735	0	0	0	0	20,735
Current portion of L-T debt - capital projects	0	0	0	0	0	0
Other current liabilities	10,953	0	0	0	0	10,953
Interprogram (due to)	163,746	10,792	7,674	1,702	(183,914)	0
TOTAL CURRENT LIABILITIES	579,095	22,672	9,193	14,649	(183,914)	441,695
NONCURRENT LIABILITIES						
Long-term debt, net of current - capital projects	0	0	0	0	0	0
Accrued comp. absences - long term	221,141	49,027	0	63,368	0	333,536
Noncurrent liabilities - other	0	0	0	0	0	0
TOTAL NONCURRENT LIABILITIES	221,141	49,027	0	63,368	0	333,536
TOTAL LIABILITIES	800,236	71,699	9,193	78,017	(183,914)	775,231
NET POSITION:						
Investment in Capital Assets	12,330,765	0	0	994	0	12,331,759
Restricted	2,017,514	0	0	2,669	0	2,020,183
Unrestricted	6,691,711	150,072	0	799	0	6,842,582
TOTAL NET POSITION	21,039,990	150,072	0	4,462	0	21,194,524
TOTAL LIABILITIES AND NET POSITION	\$ 21,840,226	\$ 221,771	\$ 9,193	\$ 82,479	\$ (183,914)	\$ 21,969,755

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Capital Fund 14.872	State/Local	Resident Opportunity & Supportive Services 14.870	Housing Choice Vouchers 14.871	Elimination	TOTAL
REVENUES:							
Net tenant rental revenue	\$ 774,222	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 774,222
Tenant revenue - other	74,121	0	0	0	0	0	74,121
Total tenant revenue	848,343	0	0	0	0	0	848,343
HUD PHA grants - operating	3,274,231	461,599	0	59,602	3,635,013	0	7,430,445
HUD PHA grants - capital	0	1,042,161	0	0	0	0	1,042,161
Management fee	0	0	0	0	0	0	0
Asset management fee	0	0	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0	0	0
Front line service fee	0	0	0	0	0	0	0
Other government grants	0	0	0	0	0	0	0
Investment income - unrestricted	12,184	0	20	0	0	0	12,204
Proceeds from disposition of assets held for sale	0	0	0	0	0	0	0
Mortgage interest income	12,482	0	0	0	0	0	12,482
Cost of sale of assets	0	0	0	0	0	0	0
Fraud income	0	0	0	0	12,824	0	12,824
Other revenue	37,234	0	310,662	0	47,543	0	395,439
Investment income - restricted	2,018	0	0	0	0	0	2,018
Gain/(loss) on disposition	0	0	0	0	0	0	0
TOTAL REVENUES	\$ 4,186,492	\$ 1,503,760	\$ 310,682	\$ 59,602	\$ 3,695,380	\$ 0	\$ 9,755,916
EXPENSES:							
Administrative							
Administrative salaries	\$ 328,177	\$ 49,762	\$ 149,288	\$ 36,767	\$ 199,552	\$ 0	\$ 763,546
Auditing fees	14,160	0	1,770	0	3,550	0	19,480
Management fees	0	0	0	0	0	0	0
Bookkeeping fees	0	0	0	0	0	0	0
Advertising & marketing	5,763	0	0	0	2,436	0	8,199
Employee benefits - administrative	127,858	14,667	41,719	13,771	66,413	0	264,428
Office expense	139,364	0	27,978	988	44,565	0	212,895
Legal expense	1,180	0	0	0	0	0	1,180
Travel expense	17,739	0	221	598	4,057	0	22,615
Overhead allocated	1,325,311	0	0	0	0	0	1,325,311
Other operating - administrative	1,609	80,223	59,982	0	4,164	0	145,978
Total Administrative Expense	1,961,161	144,652	280,958	52,124	324,737	0	2,763,632
Asset management fee	0	0	0	0	0	0	0
Tenant services							
Tenant services - salaries	0	0	0	0	0	0	0
Relocation costs	0	0	0	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0	0	0
Other tenant services	32,197	0	0	0	0	0	32,197
Total Tenant Services	32,197	0	0	0	0	0	32,197

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Capital Fund 14.872	State/Local	Resident Opportunity & Supportive Services 14.870	Housing Choice Vouchers 14.871	Elimination	TOTAL
Utilities							
Water	142,309	0	0	0	0	0	142,309
Electricity	109,161	0	0	0	0	0	109,161
Gas	6,792	0	0	0	0	0	6,792
Sewer	178,259	0	0	0	0	0	178,259
Other utilities	0	0	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0	0	0
Total Utilities Expense	436,521	0	0	0	0	0	436,521
Ordinary Maintenance & Operation							
Labor	289,017	0	0	0	0	0	289,017
Materials	487,176	70,946	6,077	811	3,120	0	568,130
Employee benefit contributions	98,108	0	0	0	0	0	98,108
Garbage & trash removal contracts	108,305	0	0	0	0	0	108,305
Heating & cooling contracts	0	0	0	0	0	0	0
Snow removal contracts	0	0	0	0	0	0	0
Elevator maintenance contracts	0	0	0	0	0	0	0
Landscape & grounds contracts	90,551	0	0	0	0	0	90,551
Unit turnaround contracts	93,390	0	0	0	0	0	93,390
Electrical contracts	0	0	0	0	0	0	0
Plumbing contracts	0	0	0	0	0	0	0
Extermination contracts	12,415	0	0	0	0	0	12,415
Janitorial contracts	0	0	0	0	0	0	0
Routine maintenance	140,373	0	0	0	0	0	140,373
Contract costs - other	1,970	0	0	4,489	1,434	0	7,893
Total Ordinary Maintenance & Operation	1,321,305	70,946	6,077	5,300	4,554	0	1,408,182
Protective services							
Protective services - salaries	0	0	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0	0	0
Other protective services	0	0	0	0	0	0	0
Total Protective Services	0	0	0	0	0	0	0
Insurance Premiums							
Property insurance	121,976	0	1,997	0	1,255	0	125,228
Liability insurance	5,533	0	1,359	324	1,709	0	8,925
Workmen's compensation	23,545	0	5,797	1,385	7,261	0	37,988
Insurance - other	3,999	0	0	0	0	0	3,999
Total Insurance Premiums	155,053	0	9,153	1,709	10,225	0	176,140
General Expenses							
Other general expense	7,601	0	2,798	469	5,440	0	16,308
Payments in lieu of taxes	35,327	0	0	0	0	0	35,327
Bad debt - tenant rents	18,227	0	0	0	0	0	18,227
Bad debt - other	29	0	0	0	15	0	44
Compensated absences	7,522	0	9,358	0	5,336	0	22,216
Severance expense	0	0	0	0	0	0	0
Total General Expenses	68,706	0	12,156	469	10,791	0	92,122
TOTAL OPERATING EXPENSE	3,974,943	215,598	308,344	59,602	350,307	0	4,908,794
EXCESS OPERATING REVENUE	211,549	1,288,162	2,338	0	3,345,073	0	4,847,122

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Capital Fund 14.872	State/Local	Resident Opportunity & Supportive Services 14.870	Housing Choice Vouchers 14.871	Elimination	TOTAL
Other Expenses							
Extraordinary maintenance	0	0	0	0	0	0	0
Casualty losses	0	0	0	0	0	0	0
Housing assistance payments	0	0	0	0	3,314,674	0	3,314,674
Housing assistance payments - Port-in	0	0	0	0	44,497	0	44,497
Depreciation expense	1,435,534	0	2,333	0	2,386	0	1,440,253
Total Other Expenses	1,435,534	0	2,333	0	3,361,557	0	4,799,424
TOTAL EXPENSES	\$ 5,410,477	\$ 215,598	\$ 310,677	\$ 59,602	\$ 3,711,864	\$ 0	9,708,218
Operating transfer in	246,000	0	0	0	0	(246,000)	0
Operating transfer out	0	(246,000)	0	0	0	246,000	0
Special item (net gain/loss)	0	0	0	0	0	0	0
EXCESS OF REVENUE OVER EXPENSES	\$ (977,985)	\$ 1,042,162	\$ 5	\$ 0	\$ (16,484)	\$ 0	47,698
Transfer of equity	1,042,162	(1,042,162)	0	0	0	0	0
Prior period adjustments	0	0	0	0	0	0	0
Beginning Net Position	20,975,813	0	150,067	0	20,946	0	21,146,826
Ending Net Position	\$ 21,039,990	\$ 0	\$ 150,072	\$ 0	\$ 4,462	\$ 0	21,194,524
Administrative Fee Equity	-	-	-	-	1,793	-	1,793
Housing Choice Voucher Equity	-	-	-	-	2,669	-	2,669
Units Available	9,268	-	-	-	6,864	-	16,132
Units Leased	9,065	-	-	-	6,077	-	15,142

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
JUNE 30, 2018

<u>Account Description</u>	<u>SC 004-01</u>	<u>SC 004-02</u>	<u>SC 004-03</u>	<u>SC 004-04</u>	<u>SC 004-05</u>
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - unrestricted	\$ 420,223	\$ 414,752	\$ 354,657	\$ 447,705	\$ 561,160
Cash - restricted	0	0	0	0	0
Cash - tenant security deposits	23,482	16,951	20,535	25,278	26,266
Total Cash	443,705	431,703	375,192	472,983	587,426
Accounts and notes receivables:					
Accounts receivable - HUD	54,607	14,961	26,223	33,175	24,381
Accounts receivable - other government	0	0	0	0	0
Accounts receivable - miscellaneous	103,167	0	0	0	0
Accounts receivable - tenants rents	295	1,141	985	922	2,214
Allowance for doubtful accounts - tenants	(246)	(845)	(391)	(420)	(1,486)
Allowance for doubtful accounts - other	0	0	0	0	0
Notes receivable - current	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0
Total receivables - net	157,823	15,257	26,817	33,677	25,109
Current investments:					
Investments - unrestricted	866,441	405,986	369,733	765,040	791,760
Investments - restricted	0	0	0	0	0
Prepaid expenses and other assets	42,428	1,589	1,746	4,559	2,272
Inventories	335,190	1,717	56	10,172	10,047
Allowance for obsolete inventories	(1,790)	0	0	0	0
Assets held for sale	0	0	0	0	0
Interprogram due from	28,689	35,878	29,240	28,155	40,453
TOTAL CURRENT ASSETS	1,872,486	892,130	802,784	1,314,586	1,457,067
NONCURRENT ASSETS:					
Capital Assets:					
Land	376,345	326,291	259,032	676,399	592,533
Buildings	8,029,776	5,687,655	5,094,159	6,903,647	7,472,399
Furniture & equipment - dwellings	74,655	75,900	66,654	54,860	61,737
Furniture & equipment - administration	1,234,781	45,350	45,760	90,325	5,773
Improvements	0	0	0	0	0
Work in process	555,805	102,375	115,592	340,369	48,162
Accumulated depreciation	(7,814,206)	(5,006,077)	(4,215,306)	(5,740,689)	(5,521,681)
Total capital assets - net	2,457,156	1,231,494	1,365,891	2,324,911	2,658,923
Notes receivable - noncurrent	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
TOTAL NONCURRENT ASSETS	2,457,156	1,231,494	1,365,891	2,324,911	2,658,923
TOTAL ASSETS	\$ 4,329,642	\$ 2,123,624	\$ 2,168,675	\$ 3,639,497	\$ 4,115,990

<u>SC 004-06</u>	<u>SC 004-07</u>	<u>SC 004-08</u>	<u>SC 004-9999</u>	<u>Other Project</u>	<u>TOTAL</u>
\$ 227,451	\$ 108,203	\$ 0	\$ 0	\$ 0	\$ 2,534,151
0	0	423,976	0	0	423,976
15,438	8,087	8,307	0	0	144,344
242,889	116,290	432,283	0	0	3,102,471
4,238	6,906	0	0	0	164,491
0	0	0	0	0	0
0	0	114	0	0	103,281
466	391	901	0	0	7,315
0	(391)	0	0	0	(3,779)
0	0	0	0	0	0
0	0	8,689	0	0	8,689
0	0	978	0	0	978
4,704	6,906	10,682	0	0	280,975
414,454	122,495	0	0	0	3,735,909
0	0	613,736	0	0	613,736
1,302	817	7,392	0	0	62,105
3,809	5,842	0	0	0	366,833
0	0	0	0	0	(1,790)
0	0	908,901	0	0	908,901
13,338	8,161	0	0	0	183,914
680,496	260,511	1,972,994	0	0	9,253,054
161,559	163,113	18,000	0	0	2,573,272
3,824,839	2,175,233	533,016	0	0	39,720,724
46,974	16,587	0	0	0	397,367
89,736	0	9,630	0	0	1,521,355
0	0	0	0	0	0
101,231	59,864	10,228	0	0	1,333,626
(3,098,678)	(1,756,113)	(62,829)	0	0	(33,215,579)
1,125,661	658,684	508,045	0	0	12,330,765
0	0	256,407	0	0	256,407
0	0	0	0	0	0
1,125,661	658,684	764,452	0	0	12,587,172
\$ 1,806,157	\$ 919,195	\$ 2,737,446	\$ 0	\$ 0	\$ 21,840,226

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
JUNE 30, 2018

<u>Account Description</u>	<u>SC 004-01</u>	<u>SC 004-02</u>	<u>SC 004-03</u>	<u>SC 004-04</u>	<u>SC 004-05</u>
LIABILITIES AND NET POSITION:					
LIABILITIES:					
CURRENT LIABILITIES					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	31,323	25,500	24,329	22,868	13,639
Accrued salaries/payroll withholding	6,588	4,129	4,153	4,741	3,815
Accrued compensated absences	5,169	6,465	5,268	5,073	7,289
Accrued interest payable	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0
Accounts payable - other gov.	1,366	0	994	8,045	11,016
Tenant security deposits	23,482	16,951	20,535	25,278	26,266
Unearned revenue	2,250	3,398	3,102	3,706	3,855
Current portion of L-T debt - capital projects	0	0	0	0	0
Other current liabilities	0	0	0	0	0
Interprogram (due to)	0	0	0	0	0
TOTAL CURRENT LIABILITIES	70,178	56,443	58,381	69,711	65,880
NONCURRENT LIABILITIES					
Long-term debt, net of current - capital projects	0	0	0	0	0
Accrued comp. absences - long term	42,544	38,420	33,613	31,929	33,943
Noncurrent liabilities - other	0	0	0	0	0
TOTAL NONCURRENT LIABILITIES	42,544	38,420	33,613	31,929	33,943
TOTAL LIABILITIES	112,722	94,863	91,994	101,640	99,823
NET POSITION:					
Investment in Capital Assets	2,457,156	1,231,494	1,365,891	2,324,911	2,658,923
Restricted	0	0	0	0	0
Unrestricted	1,759,764	797,267	710,790	1,212,946	1,357,244
TOTAL NET POSITION	4,216,920	2,028,761	2,076,681	3,537,857	4,016,167
TOTAL LIABILITIES AND NET POSITION	\$ 4,329,642	\$ 2,123,624	\$ 2,168,675	\$ 3,639,497	\$ 4,115,990

<u>SC 004-06</u>	<u>SC 004-07</u>	<u>SC 004-08</u>	<u>SC 004-9999</u>	<u>Other Project</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
10,906	7,515	2,841	0	0	138,921
3,160	1,590	1,541	0	0	29,717
2,403	1,471	1,765	0	0	34,903
0	0	0	0	0	0
0	0	0	0	0	0
7,381	1,516	5,458	0	0	35,776
15,438	8,087	8,307	0	0	144,344
1,749	1,285	1,390	0	0	20,735
0	0	0	0	0	0
0	0	10,953	0	0	10,953
0	0	163,746	0	0	163,746
<u>41,037</u>	<u>21,464</u>	<u>196,001</u>	<u>0</u>	<u>0</u>	<u>579,095</u>
0	0	0	0	0	0
11,469	13,337	15,886	0	0	221,141
0	0	0	0	0	0
<u>11,469</u>	<u>13,337</u>	<u>15,886</u>	<u>0</u>	<u>0</u>	<u>221,141</u>
52,506	34,801	211,887	0	0	800,236
1,125,661	658,684	508,045	0	0	12,330,765
0	0	2,017,514	0	0	2,017,514
<u>627,990</u>	<u>225,710</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,691,711</u>
<u>1,753,651</u>	<u>884,394</u>	<u>2,525,559</u>	<u>0</u>	<u>0</u>	<u>21,039,990</u>
\$ <u>1,806,157</u>	\$ <u>919,195</u>	\$ <u>2,737,446</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>21,840,226</u>

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMPs
FOR THE YEAR ENDED JUNE 30, 2018

<u>Account Description</u>	<u>SC 004-01</u>	<u>SC 004-02</u>	<u>SC 004-03</u>	<u>SC 004-04</u>	<u>SC 004-05</u>
REVENUES:					
Net tenant rental revenue	\$ 131,469	\$ 63,974	\$ 67,450	\$ 173,450	\$ 157,883
Tenant revenue - other	12,842	2,861	4,726	7,746	32,465
Total tenant revenue	144,311	66,835	72,176	181,196	190,348
HUD PHA grants - operating	830,670	562,911	590,444	555,438	565,041
HUD PHA grants - capital	409,498	63,715	75,598	321,547	35,521
Management fee	0	0	0	0	0
Asset management fee	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0
Front line service fee	0	0	0	0	0
Other government grants	0	0	0	0	0
Investment income - unrestricted	3,167	1,276	1,162	2,404	2,488
Investment income - restricted	0	0	0	0	0
Mortgage interest income	0	0	0	0	0
Cost of sale of assets	0	0	0	0	0
Fraud income	0	0	0	0	0
Other revenue	0	1,260	3,600	0	0
Proceeds from disposition of assets held for sale	0	0	0	0	0
Gain/(loss) on disposition	0	0	0	0	0
TOTAL REVENUES	\$ 1,387,646	\$ 695,997	\$ 742,980	\$ 1,060,585	\$ 793,398
EXPENSES:					
Administrative					
Administrative salaries	\$ 99,279	\$ 38,211	\$ 43,319	\$ 51,532	\$ 36,303
Compensated absences	0	0	0	0	0
Auditing fees	1,770	1,770	1,770	1,770	1,770
Management fees	0	0	0	0	0
Bookkeeping fees	0	0	0	0	0
Advertising & marketing	2,483	2,039	1,241	0	0
Employee benefits - administrative	32,600	15,624	18,515	16,050	14,438
Office expense	24,524	13,371	16,633	16,480	16,114
Legal expense	900	0	0	0	280
Travel expense	1,815	1,415	1,572	3,434	1,260
Allocated overhead	248,195	201,628	203,396	226,389	237,001
Other operating - administrative	40,737	1,877	11,763	1,891	12,224
Total Administrative Expense	452,303	275,935	298,209	317,546	319,390
Asset management fee	0	0	0	0	0
Tenant services					
Tenant services - salaries	0	0	0	0	0
Relocation costs	0	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0
Other tenant services	15,961	2,525	8,623	2,715	680
Total Tenant Services	15,961	2,525	8,623	2,715	680
Utilities					
Water	43,754	25,748	22,022	28,902	11,328
Electricity	15,214	17,641	17,369	20,512	20,172
Gas	1,831	1,062	2,898	0	147
Sewer	61,357	32,124	20,498	36,335	13,589
Other utilities	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	122,156	76,575	62,787	85,749	45,236

<u>SC 004-06</u>	<u>SC 004-07</u>	<u>SC 004-08</u>	<u>SC 004-9999</u>	<u>Other Project</u>	<u>TOTAL</u>
\$ 92,766	\$ 33,467	\$ 53,763	\$ 0	\$ 0	\$ 774,222
2,902	3,269	7,310	0	0	74,121
<u>95,668</u>	<u>36,736</u>	<u>61,073</u>	<u>0</u>	<u>0</u>	<u>848,343</u>
329,335	219,080	82,911	0	0	3,735,830
73,460	52,795	10,027	0	0	1,042,161
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,302	385	0	0	0	12,184
0	0	2,018	0	0	2,018
0	0	12,482	0	0	12,482
0	0	0	0	0	0
0	0	0	0	0	0
1,260	23,758	7,356	0	0	37,234
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 501,025</u>	<u>\$ 332,754</u>	<u>\$ 175,867</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,690,252</u>

\$ 39,678	\$ 22,065	\$ 47,552	\$ 0	\$ 0	\$ 377,939
0	0	0	0	0	0
1,770	1,770	1,770	0	0	14,160
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	5,763
16,744	8,328	20,226	0	0	142,525
14,070	9,435	28,737	0	0	139,364
0	0	0	0	0	1,180
3,076	4,146	1,021	0	0	17,739
141,493	67,209	0	0	0	1,325,311
11,861	1,321	158	0	0	81,832
<u>228,692</u>	<u>114,274</u>	<u>99,464</u>	<u>0</u>	<u>0</u>	<u>2,105,813</u>

0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
637	1,056	0	0	0	32,197
<u>637</u>	<u>1,056</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,197</u>

4,257	5,944	354	0	0	142,309
12,606	3,805	1,842	0	0	109,161
0	0	854	0	0	6,792
2,969	10,837	550	0	0	178,259
0	0	0	0	0	0
0	0	0	0	0	0
<u>19,832</u>	<u>20,586</u>	<u>3,600</u>	<u>0</u>	<u>0</u>	<u>436,521</u>

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMPs
FOR THE YEAR ENDED JUNE 30, 2018

<u>Account Description</u>	<u>SC 004-01</u>	<u>SC 004-02</u>	<u>SC 004-03</u>	<u>SC 004-04</u>	<u>SC 004-05</u>
Ordinary Maintenance & Operation					
Labor	72,877	49,146	45,704	52,626	16,221
Materials	139,323	67,363	81,458	71,290	73,702
Employee benefit contributions	19,971	19,504	17,178	18,542	5,833
Garbage & trash removal contracts	17,555	17,428	14,512	23,670	11,306
Heating & cooling contracts	0	0	0	0	0
Snow removal contracts	0	0	0	0	0
Elevator maintenance contracts	0	0	0	0	0
Landscape & grounds contracts	12,375	9,800	15,750	17,425	11,475
Unit turnaround contracts	20,755	6,035	19,296	12,405	15,021
Electrical contracts	0	0	0	0	0
Plumbing contracts	0	0	0	0	0
Extermination contracts	2,100	1,725	1,995	1,995	2,025
Janitorial contracts	0	0	0	0	0
Routine maintenance	11,959	67,220	14,588	9,804	17,526
Contract costs - other	0	248	151	625	165
Total Ordinary Maintenance & Operation	<u>296,915</u>	<u>238,469</u>	<u>210,632</u>	<u>208,382</u>	<u>153,274</u>
Protective services					
Protective services - salaries	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0
Other protective services	0	0	0	0	0
Total Protective Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Insurance Premiums					
Property insurance	20,172	13,834	14,609	25,441	24,021
Liability insurance	1,103	767	779	921	457
Workmen's compensation	4,772	3,243	3,352	3,870	1,926
Insurance - other	877	730	730	683	105
Total Insurance Premiums	<u>26,924</u>	<u>18,574</u>	<u>19,470</u>	<u>30,915</u>	<u>26,509</u>
General Expenses					
Other general expense	1,195	0	494	265	0
Payments in lieu of taxes	1,366	0	994	8,045	11,016
Bad debt - tenant rents	5,481	1,911	1,121	6,646	1,486
Bad debt - other	0	0	0	0	0
Compensated absences	0	1,770	2,261	809	1,696
Severance expense	0	0	0	0	0
Total General Expenses	<u>8,042</u>	<u>3,681</u>	<u>4,870</u>	<u>15,765</u>	<u>14,198</u>
Financial Expenses					
Interest expense - mortgage payable	0	0	0	0	0
Interest expense - notes payable	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0
Total Financial Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING EXPENSE	<u>922,301</u>	<u>615,759</u>	<u>604,591</u>	<u>661,072</u>	<u>559,287</u>
EXCESS OPERATING REVENUE	<u>465,345</u>	<u>80,238</u>	<u>138,389</u>	<u>399,513</u>	<u>234,111</u>

<u>SC 004-06</u>	<u>SC 004-07</u>	<u>SC 004-08</u>	<u>SC 004-9999</u>	<u>Other Project</u>	<u>TOTAL</u>
28,850	16,567	7,026	0	0	289,017
47,891	64,318	12,777	0	0	558,122
9,624	4,729	2,727	0	0	98,108
16,792	6,845	197	0	0	108,305
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
9,950	3,775	10,001	0	0	90,551
7,116	10,737	2,025	0	0	93,390
0	0	0	0	0	0
0	0	0	0	0	0
1,200	570	805	0	0	12,415
0	0	0	0	0	0
15,298	1,410	2,568	0	0	140,373
58	238	485	0	0	1,970
<u>136,779</u>	<u>109,189</u>	<u>38,611</u>	<u>0</u>	<u>0</u>	<u>1,392,251</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11,949	7,372	4,578	0	0	121,976
602	343	561	0	0	5,533
2,534	1,453	2,395	0	0	23,545
585	226	63	0	0	3,999
<u>15,670</u>	<u>9,394</u>	<u>7,597</u>	<u>0</u>	<u>0</u>	<u>155,053</u>
0	446	5,201	0	0	7,601
7,380	1,516	5,010	0	0	35,327
961	391	230	0	0	18,227
0	0	29	0	0	29
714	0	272	0	0	7,522
0	0	0	0	0	0
<u>9,055</u>	<u>2,353</u>	<u>10,742</u>	<u>0</u>	<u>0</u>	<u>68,706</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>410,665</u>	<u>256,852</u>	<u>160,014</u>	<u>0</u>	<u>0</u>	<u>4,190,541</u>
<u>90,360</u>	<u>75,902</u>	<u>15,853</u>	<u>0</u>	<u>0</u>	<u>1,499,711</u>

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMPs
FOR THE YEAR ENDED JUNE 30, 2018

<u>Account Description</u>	<u>SC 004-01</u>	<u>SC 004-02</u>	<u>SC 004-03</u>	<u>SC 004-04</u>	<u>SC 004-05</u>
Other Expenses					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	0	0	0
Depreciation expense	299,254	168,094	176,173	256,878	270,010
Total Other Expenses	299,254	168,094	176,173	256,878	270,010
TOTAL EXPENSES	\$ 1,221,555	\$ 783,853	\$ 780,764	\$ 917,950	\$ 829,297
Transfer of operating funds - in	54,300	35,700	44,800	20,900	28,700
Transfer of operating funds - out	(54,300)	(35,700)	(44,800)	(20,900)	(28,700)
Special items Net Gain/(Loss)	0	0	0	0	0
EXCESS OF REVENUE OVER EXPENSES	\$ 166,091	\$ (87,856)	\$ (37,784)	\$ 142,635	\$ (35,899)
Transfer of equity	632,923	(201,821)	(95,191)	(35,793)	(327,166)
Prior period adjustments	0	0	0	0	0
Beginning Net Position	3,417,906	2,318,438	2,209,656	3,431,015	4,379,232
Ending Net Position	\$ 4,216,920	\$ 2,028,761	\$ 2,076,681	\$ 3,537,857	\$ 4,016,167
 Units Available	 1655	 1380	 1392	 1536	 1616
Units Leased	1625	1354	1352	1516	1588

<u>SC 004-06</u>	<u>SC 004-07</u>	<u>SC 004-08</u>	<u>SC 004-9999</u>	<u>Other Project</u>	<u>TOTAL</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>160,628</u>	<u>85,426</u>	<u>19,071</u>	<u>0</u>	<u>0</u>	<u>1,435,534</u>
<u>160,628</u>	<u>85,426</u>	<u>19,071</u>	<u>0</u>	<u>0</u>	<u>1,435,534</u>
\$ <u>571,293</u>	\$ <u>342,278</u>	\$ <u>179,085</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>5,626,075</u>
21,000	36,200	4,400	0	0	246,000
(21,000)	(36,200)	(4,400)	0	0	(246,000)
0	0	0	0	0	0
\$ <u>(70,268)</u>	\$ <u>(9,524)</u>	\$ <u>(3,218)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>64,177</u>
62,699	(35,651)	0	0	0	0
0	0	0	0	0	0
<u>1,761,220</u>	<u>929,569</u>	<u>2,528,777</u>	<u>0</u>	<u>0</u>	<u>20,975,813</u>
\$ <u>1,753,651</u>	\$ <u>884,394</u>	\$ <u>2,525,559</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>21,039,990</u>
957	444	288	0	0	9,268
915	431	284	0	0	9,065

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<u>FEDERAL GRANTOR</u>			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>			
Public Housing:			
Public and Indian Housing	A - Major	14.850	\$ 3,274,231
Public Housing Capital Fund	A - Major	14.872	1,503,760
Resident Opportunity	B - Nonmajor	14.870	59,602
Section 8 Housing Assistance Program:			
Section 8 Housing Choice Vouchers	A - Major	14.871	<u>3,635,013</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u>8,472,606</u>
Threshold for Type A & Type B			\$ <u>750,000</u>

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the South Carolina Regional Housing Authority No. 3 and is presented on the post GASB 34 full basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

NOTE B - SUBRECIPIENTS:

The South Carolina Regional Housing Authority No. 3 provided no federal awards to sub-recipients during the fiscal year ending June 30, 2018.

NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:

- The South Carolina Regional Housing Authority No. 3 received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2018.
- The South Carolina Regional Housing Authority No. 3 had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended June 30, 2018.
- The auditee did not elect to use the 10% de minimis cost rate.
- The South Carolina Regional Housing Authority No. 3 maintains the following limits of insurance as of June 30, 2018:

Property	\$ 60,642,737
Liability	\$ 1,000,000
Commercial Auto Liability	\$ 1,000,000
Worker Compensation	\$ 500,000
Employee Dishonesty	\$ 150,000
Inland Marine	\$ 194,349
Electronic Data Processing	\$ 225,000

Settled claims have not exceeded the above commercial insurance coverage limits over the past three years.

**SOUTH CAROLINA REGIONAL
HOUSING AUTHORITY NO. 3
Barnwell, South Carolina**

**SUPPLEMENTAL INFORMATION
SPECIAL REPORTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3
Barnwell, South Carolina

SCHEDULE AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Annual Contributions Contract A-4090

Phase SC16P024501-15

- 1 The Modernization Costs for Phase SC16P024501-15 were:

Funds Approved	\$ 1,082,364
Funds Expended	<u>1,082,364</u>
Excess of Funds Approved	\$ <u><u>-</u></u>
Funds Advanced	\$ 1,082,364
Funds Expended	<u>1,082,364</u>
Excess of Funds Advanced	\$ <u><u>-</u></u>

- 2 Audit period additions were \$416,265 and accordingly were audited by Rector, Reeder & Lofton, P.C.
- 3 The costs as shown on the Actual Comprehensive Grant Cost Certificate submitted to HUD for approval dated June 11, 2018 is in agreement with the PHA's records.
- 4 All Capital Fund costs have been paid and all related liabilities have been discharged through payment.