

**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, 2016**

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**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, 2016**



**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, 2016, and the related notes to the financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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, 2016, 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.

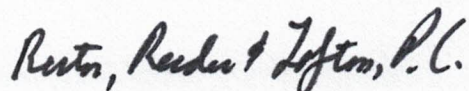
### ***Supplementary and Other Information***

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 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 18, 2016 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



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

Lawrenceville, Georgia  
November 18, 2016

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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SOUTH CAROLINA REGIONAL HOUSING AUTHORITY NO. 3**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FYE JUNE 30, 2016**

**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, 2016. 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 decreased by \$1,208,444 or 5.34% during FY 2016. 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 \$235,739 or 3.00% from FY 2015, mainly as a result of increased grant funding, as well as increases in other income related to asset dispositions.
- Total expenses of all SCRHA3's programs increased by \$225,632 or 2.58% during FY 2016 and were \$8,981,784 and \$8,756,152 for FY 2016 and FY 2015 respectively. The increase was spread across most expense categories.
- Total excess of revenues over expenses (net income/loss) increased by \$10,107 or 1.13% during FY 2016.

**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 16 the following improvements were completed or were in progress: Pavement repairs at Blackville Beaver Dam Apartments; and new mailboxes for Wagener (26 units), Williston (70 units) and Moncks Corner (80 units). New water meters were installed at Blackville, Beaver Dam at the cost of \$63,982.00. Minor rehab was completed 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 174 units during the year. 14 Occupied units at St. Stephen Apartments and 4 occupied units at Monck Corner were painted. 143 units were treated for bed bugs and 4 units for termites. 72 refrigerators, stove and hot water heaters were replaced with Energy Star appliances as new ones are needed. A maintenance truck was purchased for the Santee and Branchville properties (AMP 6) and a Toyota forklift to be used where needed. We also have an ongoing resident employee training program that during FY 2016 provided training and a pay check for five 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**

	<b>2016</b>	<b>2015</b>	<b>Total Change</b>	<b>% Change</b>
Current Assets	\$ 8,476,477	\$ 9,545,761	\$ (1,069,284)	-11.20%
Capital Assets	13,414,541	13,518,326	(103,785)	-0.77%
Other Noncurrent Assets	281,953	228,270	53,683	23.52%
<b>Total Assets</b>	<b>\$ 22,172,971</b>	<b>\$ 23,292,357</b>	<b>\$ (1,119,386)</b>	<b>-4.81%</b>
Current Liabilities	\$ 464,471	\$ 369,650	\$ 94,821	25.65%
Noncurrent Liabilities	278,554	284,317	(5,763)	-2.03%
<b>Total Liabilities</b>	<b>743,025</b>	<b>653,967</b>	<b>89,058</b>	<b>13.62%</b>
Investment in Capital Assets	13,414,541	13,518,326	(103,785)	-0.77%
Restricted	2,000,185	2,987,028	(986,843)	-33.04%
Unrestricted	6,015,220	6,133,036	(117,816)	-1.92%
<b>Total Net Position</b>	<b>21,429,946</b>	<b>22,638,390</b>	<b>(1,208,444)</b>	<b>-5.34%</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 22,172,971</b>	<b>\$ 23,292,357</b>	<b>\$ (1,119,386)</b>	<b>-4.81%</b>

**CASH AND INVESTMENTS** decreased by \$235,917 or 3.32%. Of the cash deposits, \$778,478 is restricted for use for other housing needs in the Home Ownership Program and \$3,300 is restricted for use under the Section 8 Housing Choice Voucher Program for tenant rental assistance only. Additionally, \$137,749 has been restricted for tenant security deposits. Of the investment deposits, \$111,607 has been restricted for loan obligations related to the Home Ownership Program.

**ACCOUNTS RECEIVABLE** decreased from \$309,393 in FY 2015 to \$297,372 in FY 2016, a decrease of \$12,021 or 3.89%. Net tenant's accounts receivable increased by \$6,062 or 227.89%, which is due to an individually high balance that is awaiting write-off or eviction. Accounts receivable from other PHAs for HCV port-in billings decreased by \$883 or 78.77% due to decreased portability with other PHAs. Accounts receivable from HUD increased by \$27,262 or 291.39% due to timing differences in the receipt of capital fund reimbursements. The current portion of notes receivable increased by \$1,751 or 23.96%, which is expected as the loan approaches maturity. Finally, miscellaneous accounts receivable decreased by \$46,213 or 16.04% due to the timing of reimbursements from the Southeastern Housing Foundations and other managed properties.

**PREPAID EXPENSES** increased by \$16,522 or 35.36%. This includes \$15,000 of July 2016 payroll taxes there were paid in June 2016.

**MATERIALS INVENTORY** decreased by \$5,529 or 1.92%.

**ASSETS HELD FOR SALE** decreased by \$832,339 or 46.15% during FY 2016 due to capitalizing a large portion of these assets and the write down as a Special Item of \$322,881 as stated in Note W in the accompanying Notes to the Financial Statements.

**CAPITAL ASSETS** decreased by \$103,785 or 0.77% due to \$1,413,455 of depreciation expense that was offset somewhat by \$768,311 of total capital additions and transfers from Assets Held for Sale of \$549,991 during the fiscal year. Additional details are included in the Capital Assets section of this document.

**OTHER NONCURRENT ASSETS** increased by \$53,683 or 23.52% due to new notes receivable related to homeownership sales during the year.

**CURRENT LIABILITIES** increased by \$94,821 or 25.65% during FY 2016. Accounts payable to vendors increased by \$57,229 or 45.40% primarily due to the purchase of security equipment near year end. Accrued payroll increased by \$18,905 or 41.05% due to normal fluctuations in the timing of accruals. The current portion of compensated absences increased by \$10,492 or 44.45% due to an expected increase in vacation time to be used in FY 2017. Other current liabilities increased by \$5,980 or 558.36% due to an increase in escrow accounts held for mortgages.

**NONCURRENT LIABILITIES** decreased by \$5,763 or 2.03% due to the decrease in the long-term portion of compensated absences.

**TOTAL NET POSITION** decreased \$1,208,444 or 5.34% from FY 2015 to FY 2016. This decrease was due to decreases in restricted net position of \$986,843 or 33.04% due to decreases in AMP 8 and in HCV restricted HAP equity. Investment in capital assets decreased by \$103,785 or 0.77% due to depreciation expense in excess of current year capital additions, as discussed in further detail later in this analysis. Unrestricted net position decreased by \$117,816 or 1.92% primarily 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**

	<b>2016</b>	<b>2015</b>	<b>Total Change</b>	<b>% Change</b>
Tenant Revenue	\$ 721,166	\$ 701,375	\$ 19,791	2.82%
Operating Grants	6,577,444	6,503,154	74,290	1.14%
Capital Grants	429,286	413,467	15,819	3.83%
Interest Income	13,227	8,028	5,199	64.76%
Other Income	360,456	402,597	(42,141)	-10.47%
Gain/(Loss) on Dispositions	(5,358)	(168,139)	162,781	96.81%
<b>Total Revenue</b>	<b>8,096,221</b>	<b>7,860,482</b>	<b>235,739</b>	<b>3.00%</b>
Administration	2,513,097	2,296,658	216,439	9.42%
Tenant Services	13,433	16,889	(3,456)	-20.46%
Utilities	429,695	439,802	(10,107)	-2.30%
Maintenance	1,264,968	1,203,407	61,561	5.12%
Protective Services	96,496	-	96,496	100.00%
General Expense	255,429	260,880	(5,451)	-2.09%
Housing Assistance Payment	2,995,211	3,133,700	(138,489)	-4.42%
Depreciation	1,413,455	1,404,816	8,639	0.61%
<b>Total Expenses</b>	<b>8,981,784</b>	<b>8,756,152</b>	<b>225,632</b>	<b>2.58%</b>
Change in Net Position	(885,563)	(895,670)	10,107	1.13%
Special Items	(322,881)	-	(322,881)	-100.00%
Beginning Net Position	22,638,390	23,534,060	(895,670)	-3.81%
<b>Ending Net Position</b>	<b>\$ 21,429,946</b>	<b>\$ 22,638,390</b>	<b>\$ (1,208,444)</b>	<b>-5.34%</b>

**TOTAL REVENUES** increased from \$7,860,482 to \$8,096,221, an increase of \$235,739 or 3.00% during FY 2016. As illustrated by Table II, the major drivers of this increase were the increases in Gain/(Loss) on Dispositions of \$162,781 or 96.81% and Grant Revenue of \$90,109 or 1.30%. Tenant revenue increased by \$19,791 or 2.82% due to higher paying rents throughout the year. Interest income increased by \$5,199 or 64.76%, primarily due to new notes receivable issued to buyers of Homeownership units. Other income decreased by \$42,141 or 10.47% primarily due to decreased HCV port-in voucher activity.

**TOTAL EXPENSES** increased by \$225,632 or 2.58% during FY 2016. Administrative expenses increased by \$216,439 or 9.42%. This increase was due to an increase of \$123,614 or 12.01% in allocated overhead, due to greater costs incurred in the central office which were allocated to the AMPs. Additionally, there were increases in administrative salaries and benefits of \$22,134 or 2.31%, auditing/consulting fees of \$1,760 or 9.93%, office expenses of \$68,181 or 35.71%, and other administrative expenses of \$9,526 or 17.53% due to normal fluctuations in expenses. These increases

were offset somewhat by decreases in advertising and marketing of \$1,473 or 16.89%, legal expenses of \$417 or 4.67%, and travel expenses of \$6,886 or 22.84%. Tenant services decreased by \$3,456 or 20.46% due to fewer resident activities provided during the year. Utility expenses decreased by \$10,107 or 2.30%, due to decreases in all accounts. Total maintenance costs increased by \$61,561 or 5.12% over the prior year, due to increases of \$26,208 or 6.04% in salaries and benefits, materials of \$9,958 or 1.96%, and contract costs of \$26,295 or 10.08%. Protective services increased by \$96,496 or 100.00% due to the installation of security cameras during the year. General expenses decreased by \$5,451 or 2.09%. Other general expenses decreased by \$16,720 or 49.23% which is primarily due to a decrease in portability activity in HCV from the prior year. This decrease was offset somewhat by increases in insurance premiums of \$8,121 or 4.73% and compensated absences of \$4,999 or 27.92%, which is due to an increase in vacation time used by employees during the year. Regular HAP expenses decreased by \$104,958 or 3.41% and there was a decrease in the average housing assistance payment from \$546 to \$516 even though unit months leased increased from 5,741 in FY 2015 to 5,802 in FY 2016. HAP port-in expense decreased by \$33,531 or 58.17% from \$57,646 to \$24,115. Depreciation expense increased by \$8,639 or 0.61% due to normal fluctuations in annual depreciation.

### **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

	2016	2015	Total Change	% Change
HUD PHA Grant	\$ 3,241,401	\$ 3,300,251	\$ (58,850)	-1.78%
Other	49,350	96,288	(46,938)	-48.75%
<b>Total Revenue</b>	<b>3,290,751</b>	<b>3,396,539</b>	<b>(105,788)</b>	<b>-3.11%</b>
Administration	308,881	313,573	(4,692)	-1.50%
Maintenance	2,942	4,674	(1,732)	-37.06%
General Expense	20,892	30,080	(9,188)	-30.55%
Depreciation	2,386	2,386	-	0.00%
Housing Assistance Payment	2,995,211	3,133,700	(138,489)	-4.42%
<b>Total Expenses</b>	<b>3,330,312</b>	<b>3,484,413</b>	<b>(154,101)</b>	<b>-4.42%</b>
Excess of Revenues over Expenses	(39,561)	(87,874)	48,313	54.98%
(Gain)/Loss in HAP equity*	36,583	37,162	(579)	-1.56%
<b>Gain/(Loss) in Admin Fee Equity</b>	<b>\$ (2,978)</b>	<b>\$ (50,712)</b>	<b>\$ 47,734</b>	<b>94.13%</b>
<b>HCV Unit Months Leased</b>	<b>5,802</b>	<b>5,741</b>	<b>61</b>	<b>1.06%</b>
<b>Average HAP payment</b>	<b>\$ 516</b>	<b>\$ 546</b>	<b>\$ (30)</b>	<b>-5.42%</b>

\*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**

	2016	2015	Total Change	% Change
Land & Improvements	\$ 2,207,866	\$ 2,189,866	\$ 18,000	0.82%
Buildings & Improvements	38,857,626	38,325,635	531,991	1.39%
Equipment	2,044,715	1,684,881	359,834	21.36%
Construction in Progress	867,548	504,800	362,748	71.86%
	43,977,755	42,705,182	1,272,573	2.98%
Accumulated Depreciation	(30,563,214)	(29,186,856)	(1,376,358)	4.72%
<b>Total Capital Assets</b>	<b>\$ 13,414,541</b>	<b>\$ 13,518,326</b>	<b>\$ (103,785)</b>	<b>-0.77%</b>

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

Balance at July 1, 2015	\$ 13,518,326
Current period additions - CFP	429,286
Current period additions - Operations	339,025
Current period transfers	549,991
Net disposition of assets	(8,632)
Current period depreciation expense	<u>(1,413,455)</u>
Balance at June 30, 2016	\$ <u>13,414,541</u>

## **Debt Activity**

As of June 30, 2016, 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 2016. We did not need to use any admin fee reserve funds for normal operation of the program during FY 16 because we did not fill a vacant position. However, that vacancy will be filled in FY 17 and if HUD continues to fund at less than full funding, we probably will be using reserve funds to meet normal operational needs in the future.

- With the on-going economic crisis and recovery, many small manufacturing plants in our area have closed, creating a greater demand for our services. 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

Barnwell, South Carolina

## STATEMENT OF NET POSITION

JUNE 30, 2016

## ASSETS

## Current Assets

Cash &amp; equivalents - unrestricted

Cash &amp; equivalents - restricted

Accounts receivable

Mortgages receivable - current

Investments - unrestricted

Investments - restricted

Prepaid expenses

Inventories

Assets held for sale

## Total Current Assets

## Noncurrent Assets

Mortgages receivable - non current

## Capital Assets

Land &amp; improvements

Buildings

Furniture &amp; equipment

Construction in progress

Less accumulated depreciation

Total Capital Assets

## Total Noncurrent Assets

## TOTAL ASSETS

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

## AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

**ASSETS**

**Current Assets**

Cash & equivalents - unrestricted	\$ 5,607,995
Cash & equivalents - restricted	919,527
Accounts receivable	288,314
Mortgages receivable - current	9,058
Investments - unrestricted	223,169
Investments - restricted	111,607
Prepaid expenses	63,245
Inventories	282,210
Assets held for sale	971,352
	<hr/>
Total Current Assets	8,476,477

**Noncurrent Assets**

Mortgages receivable - non current	281,953
	<hr/>
Capital Assets:	
Land & Improvements	2,207,866
Buildings	38,857,626
Furniture & equipment	2,044,715
Construction in progress	867,548
	<hr/>
	43,977,755
	<hr/>
	(30,563,214)
Less: Accumulated depreciation	<hr/>
Total Capital Assets	13,414,541
	<hr/>
Total Noncurrent Assets	13,696,494
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 22,172,971</b>

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

## LIABILITIES & NET POSITION

### Current Liabilities

Accounts payable	\$	211,021
Accrued liabilities		106,106
Unearned revenue		9,695
Tenant security deposits/escrow deposits		<u>137,649</u>

Total Current Liabilities		<u>464,471</u>
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### Noncurrent Liabilities

Accrued compensated absences		<u>278,554</u>
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Total Noncurrent Liabilities		<u>278,554</u>
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TOTAL LIABILITIES		<u>743,025</u>
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### NET POSITION

Investment in Capital Assets		13,414,541
Restricted		2,000,185
Unrestricted		<u>6,015,220</u>

TOTAL NET POSITION		<u>21,429,946</u>
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TOTAL LIABILITIES & NET POSITION	\$	<u><u>22,172,971</u></u>
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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, 2016**

**Operating Revenues**

Dwelling rent	\$ 721,166
Governmental grants & subsidy	6,577,444
Other income	360,456
<b>Total Operating Revenues</b>	<b><u>7,659,066</u></b>

**Operating Expenses**

Administration	2,513,097
Tenant services	13,433
Utilities	429,695
Maintenance & operations	1,264,968
Protective services	96,496
General expense	255,429
Housing assistance payments	2,995,211
Depreciation expense	1,413,455
<b>Total Operating Expense</b>	<b><u>8,981,784</u></b>

**Net Operating Income/(Loss)** (1,322,718)

**Nonoperating Revenues/(Expenses)**

Investment income	13,227
Gain/(Loss) on disposition of assets	(5,358)
<b>Net Nonoperating Revenues/(Expenses)</b>	<b><u>7,869</u></b>

**Net Income/(Loss) before capital contributions** (1,314,849)

Capital grants 429,286

**Increase/(Decrease) in Net Position** (885,563)

Special item (net gain/loss) - assets held for sale written down (322,881)

Total Net Position - beginning 22,638,390

Total Net Position - ending \$ 21,429,946

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, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 1,081,622
Governmental grants & subsidy - operations	6,577,444
Payments to suppliers	(3,465,929)
Payments for housing assistance	(2,995,211)
Payments to employees	<u>(1,055,885)</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>142,041</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	(670)
Acquisition of notes receivable	(55,434)
Interest income	<u>13,227</u>
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	<u>(42,877)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Grant revenue - capital grants	429,286
Acquisition and construction of capital assets - capital grants	(429,286)
Acquisition and construction of capital assets - operations	(339,025)
Proceeds from disposition of equipment	<u>3,274</u>
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(335,751)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(236,587)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>6,764,109</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>\$ 6,527,522</u></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, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income/(Loss) from operations	\$ (1,322,718)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	1,413,455
Decrease (Increase) in accounts receivable	13,772
Decrease (Increase) in assets held for sale net of capitalized assets	(40,533)
Decrease (Increase) in prepaid expenses	(16,522)
Decrease (Increase) in inventory	5,529
Increase (Decrease) in accounts payable	55,159
Increase (Decrease) in accrued liabilities	29,614
Increase (Decrease) in unearned revenue	455
Increase (Decrease) in security/trust deposits	<u>3,830</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>\$ 142,041</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, 2016**

**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, 2016**  
(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, 2016**  
(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, 2016**  
(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.

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 expensed, 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, 2016**  
(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	May 17, 2018
Kiffany Perlote	April 23, 2020
Matthew Way	April 23, 2020
Jamie White	April 23, 2020
Ann L. Freeman	April 23, 2020
Lillie Dorch	May 21, 2018

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, 2016**  
(Continued)

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

**19. New Accounting Pronouncements:**

During FY 2016, the Authority did not implement any new pronouncements.

**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, 2016, the Authority's total deposits had a carrying amount of \$6,861,798 and bank balances of \$6,949,489. Of the bank balances held in various financial institutions, \$689,790 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. There was a balance of \$500 in petty cash.

**Investments:**

At June 30, 2016, the Authority's investment balances were as follows:

Investment Type	Market Value	Maturity	Rating
Certificates of Deposit	\$ 334,776	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, 2016**  
(Continued)

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

Cash and investments at June 30, 2016, were as follows:

Checking accounts	\$ 6,527,022
Certificates of Deposit	334,776
Petty cash	<u>500</u>
	<u>\$ 6,862,298</u>

Of the above amounts, \$3,300 is considered restricted for Housing Choice Voucher Program HAP Equity that is reserved for future payments to landlords, and \$778,478 is considered restricted for Homeownership program activities in AMP 8. Additionally, \$137,749 has been restricted for tenant security deposits. Of the investment deposits, \$111,607 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, 2016, \$6,543,044 of market value securities was pledged as collateral against the Authority's deposits.

**NOTE C - ACCOUNTS RECEIVABLE:**

Accounts receivable at June 30, 2016, consisted of the following:

A/R - tenants (net of allowance of \$1,717)	\$ 8,722
A/R - fraud (net of allowance of \$11,435)	0
A/R - HUD	36,618
A/R - Southeastern Housing Foundation	132,654
A/R - managed properties	106,487
A/R - miscellaneous	2,733
A/R - other government	238
Accrued mortgage interest receivable	<u>862</u>
	<u>\$ 288,314</u>

The above receivables balance excludes \$569,551 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, 2016**  
(Continued)

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

As of June 30, 2016, the PHA carried the following balances as inventory and prepaid expenses:

Inventory (net of allowance for obsolescence of \$404)	\$ 282,210
Prepaid expenses	63,245
Assets held for sale (Homeownership Program Housing Inventory)	<u>971,352</u>
	<u>\$ 1,316,807</u>

Summary of Home inventory activity:

Balance at June 30, 2015	\$ 1,803,691
Improvement additions	160,103
Capitalization of units	(550,274)
Allowance for market study	(322,881)
Sales of assets held for sale	<u>(119,287)</u>
Balance at June 30, 2016	<u>\$ 971,352</u>

The Housing Inventory for the local homeownership program consists of 29 scattered site units which are currently on the market for sale. Some of these units are currently undergoing renovation in order to meet local building codes and \$160,103 of improvements were made during the audit period. These improvements are being financed with HOME and State of South Carolina LIHTC funds. 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, 2016, are as follows:

Homebuyer First Mortgages held by SCRHA #3, interest rates & maturities vary	\$ 291,011
Homebuyer Second and Third Mortgages held by SCRHA #3, no stated interest rate, variable due dates	180,886
Less allowance for forgivable notes receivable	<u>(180,886)</u>
	<u>\$ 291,011</u>

Note: \$9,058 of the above amounts is considered current as of June 30, 2016. The remaining \$281,953 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, 2016**  
(Continued)

**NOTE F - CAPITAL ASSETS:**

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2016:

	Balance at June 30, 2015	Additions/ Depreciation	Transfers	Adjustments/ Dispositions	Balance at June 30, 2016
<b>Enterprise Activities</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,189,866	\$ -	18,000	-	\$ 2,207,866
Construction in progress	504,800	429,286	(66,538)	-	867,548
<b>Total capital assets not being depreciated</b>	<u>2,694,666</u>	<u>429,286</u>	<u>(48,538)</u>	<u>-</u>	<u>3,075,414</u>
Buildings & improvements	38,325,635	-	531,991	-	38,857,626
Furniture & equipment	1,684,881	339,025	66,538	(45,729)	2,044,715
<b>Total capital assets being depreciated</b>	<u>40,010,516</u>	<u>339,025</u>	<u>598,529</u>	<u>(45,729)</u>	<u>40,902,341</u>
Less accumulated depreciation for:					
Buildings & improvements	(28,112,570)	(1,272,727)	-	-	(29,385,297)
Furniture & equipment	(1,074,286)	(140,728)	-	37,097	(1,177,917)
<b>Total accumulated depreciation</b>	<u>(29,186,856)</u>	<u>(1,413,455)</u>	<u>-</u>	<u>37,097</u>	<u>(30,563,214)</u>
<b>Total capital assets being depreciated</b>	<u>10,823,660</u>				<u>10,339,127</u>
<b>Enterprise activity capital assets, net</b>	<u>\$ 13,518,326</u>				<u>\$ 13,414,541</u>

The following transactions affected capital assets during the audit period:

Balance at July 1, 2015	\$ 13,518,326
Current period additions - Capital Fund Programs	429,286
Current period additions - Operations	339,025
Current period transfers	549,991
Net disposition of assets	(8,632)
Current period depreciation expense	<u>(1,413,455)</u>
Balance at June 30, 2016	<u>\$ 13,414,541</u>

**NOTE G - ACCOUNTS PAYABLE:**

Accounts payable consisted of the following at June 30, 2016:

A/P Vendors	\$ 183,294
Tenant security deposits	137,649
Due to various municipalities - Payments in Lieu of Taxes	<u>27,727</u>
	<u>\$ 348,670</u>

The above payables balance excludes \$569,551 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, 2016**  
(Continued)

**NOTE H - ACCRUED LIABILITIES AND UNEARNED REVENUE:**

Accrued liabilities and unearned revenue consisted of the following at June 30, 2016:

Accrued wages/payroll taxes payable	\$ 64,958
Accrued compensated absences - current portion	34,097
Other current liability	7,051
Tenants prepaid rents	<u>9,695</u>
	<u>\$ 115,801</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, 2016, were \$2,935,671.

**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, 2016, were as follows:

Section 8 Housing Choice Vouchers	<u>\$ 3,241,401</u>
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**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, 2016**  
(Continued)

**NOTE L - OTHER NON-CURRENT LIABILITIES:**

Other non-current liabilities at June 30, 2016, consisted of the following:

Accrued compensated absences - net of current					<u>\$ 278,554</u>
	Balance at			Balance at	Current
	07/01/15	Increases	Decreases	06/30/16	Portion
Compensated absences	\$ 307,922	\$ 22,905	\$ (18,176)	\$ 312,651	\$ 34,097

**NOTE M - RESTRICTED NET POSITION:**

As of June 30, 2016, the Authority had \$2,000,185 in restricted net position. \$3,300 was restricted in the Housing Choice Voucher program related to Housing Assistance Payment grant income. The remaining \$1,996,885 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, 2016, 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 contributions 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 \$275,588 and covered payroll was \$2,041,396 for the year ended June 30, 2016. Pension expense for FY 2015 and FY 2014 was \$255,105 and \$248,016, 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, 2016**  
(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, 2016.

**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, 2016.

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, 2016, 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, 2016.

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**  
(Continued)

**NOTE T - MANAGEMENT OF AFFILIATE - SOUTHEASTERN HOUSING FOUNDATION:**

The South Carolina Regional Housing Authority No. 3 has provided property management services for the Southeastern Housing Foundation since 1999. All management fees received from SEHF are included in the operations of the Management fund. During the fiscal year, \$303,561 of management fee income was recognized. The Southeastern Housing Foundation 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, \$132,654 of administrative fees remained payable to the non-federal programs of SC Regional Housing Authority No. 3 as of June 30, 2016.

**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 18, 2016 (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:**

During FY2016, the Authority did not record any prior period adjustments. However, the Authority did record a Special Item of \$322,881, which was due to a market study conducted during the year which caused a write-down of the value of the Authority's Assets Held for Sale. The summary of the Home inventory activity can be found in Note D.

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

**SINGLE AUDIT SECTION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**



**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, 2016, 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 18, 2016.

**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.

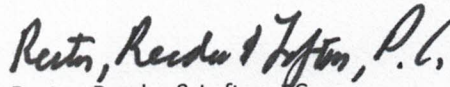
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 18, 2016



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE**

*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, 2016. 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 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, 2016.

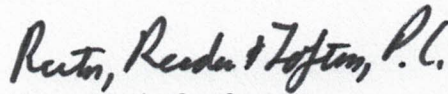
## Report on Internal Control Over Compliance

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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Rector, Reeder & Lofton, PC  
Certified Public Accountants

Lawrenceville, Georgia  
November 18, 2016

**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, 2015 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:	<b>Unmodified</b>
Internal control over financial reporting:	
Material weakness(es) identified?	<b>No</b>
Significant deficiency(ies) identified not considered to be material weaknesses?	<b>None reported</b>
Noncompliance material to the financial statements noted?	<b>No</b>

***Federal Awards***

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

Type of report issued on the compliance for major programs:	<b>Unmodified</b>
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Any audit findings disclosed that are required to be reported under 2 CFR §200.516(a)?	<b>No</b>
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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:	<b>\$750,000</b>
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Low Risk Auditee under 2 CFR §200.520?	<b>No</b>
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**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, 2016**

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

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS**  
**JUNE 30, 2016**

<u>Account Description</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>State/Local</u>	<u>Housing Choice Vouchers 14.871</u>	<u>Elimination</u>	<u>TOTAL</u>
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Cash:					
Cash - unrestricted	\$ 5,330,318	\$ 157,249	\$ 120,428	\$ 0	\$ 5,607,995
Cash - restricted	778,478	0	3,300	0	781,778
Cash - restricted for payment of current liabilities	0	0	0	0	0
Cash - tenant security deposits	137,749	0	0	0	137,749
Total Cash	<u>6,246,545</u>	<u>157,249</u>	<u>123,728</u>	<u>0</u>	<u>6,527,522</u>
Accounts and notes receivables:					
Accounts receivable - HUD	36,618	0	0	0	36,618
Accounts receivable - PHA projects	0	0	238	0	238
Accounts receivable - miscellaneous	109,220	132,654	0	0	241,874
Accounts receivable - tenants rents	10,439	0	0	0	10,439
Allowance for doubtful accounts - tenants	(1,717)	0	0	0	(1,717)
Fraud recovery	0	0	11,435	0	11,435
Allowance for doubtful accounts - fraud	0	0	(11,435)	0	(11,435)
Accrued interest receivable	862	0	0	0	862
Notes receivable - current	9,058	0	0	0	9,058
Total receivables - net	<u>164,480</u>	<u>132,654</u>	<u>238</u>	<u>0</u>	<u>297,372</u>
Current investments:					
Investments - unrestricted	223,169	0	0	0	223,169
Investments - restricted	111,607	0	0	0	111,607
Prepaid expenses and other assets	61,825	0	1,420	0	63,245
Inventories	282,614	0	0	0	282,614
Allowance for obsolete inventories	(404)	0	0	0	(404)
Assets held for sale	971,352	0	0	0	971,352
Interprogram due from	569,551	0	0	(569,551)	0
TOTAL CURRENT ASSETS	<u>8,630,739</u>	<u>289,903</u>	<u>125,386</u>	<u>(569,551)</u>	<u>8,476,477</u>
<b>NONCURRENT ASSETS:</b>					
Capital Assets:					
Land	2,207,866	0	0	0	2,207,866
Buildings	38,857,626	0	0	0	38,857,626
Furniture & equipment - dwellings	441,309	0	0	0	441,309
Furniture & equipment - administration	1,495,466	91,236	16,704	0	1,603,406
Improvements	0	0	0	0	0
Work in process	867,548	0	0	0	867,548
Accumulated depreciation	(30,465,708)	(86,569)	(10,937)	0	(30,563,214)
Total capital assets - net	<u>13,404,107</u>	<u>4,667</u>	<u>5,767</u>	<u>0</u>	<u>13,414,541</u>
Notes receivable - noncurrent	281,953	0	0	0	281,953
Investment in joint ventures	0	0	0	0	0
TOTAL NONCURRENT ASSETS	<u>13,686,060</u>	<u>4,667</u>	<u>5,767</u>	<u>0</u>	<u>13,696,494</u>
<b>TOTAL ASSETS</b>	<u>\$ 22,316,799</u>	<u>\$ 294,570</u>	<u>\$ 131,153</u>	<u>\$ (569,551)</u>	<u>\$ 22,172,971</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS**  
**JUNE 30, 2016**

<u>Account Description</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>State/Local</u>	<u>Housing Choice Vouchers 14.871</u>	<u>Elimination</u>	<u>TOTAL</u>
<b>LIABILITIES AND NET POSITION:</b>					
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES</b>					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	180,262	1,139	1,893	0	183,294
Accrued salaries/payroll withholding	50,348	6,477	8,133	0	64,958
Accrued compensated absences	23,917	4,207	5,973	0	34,097
Accrued interest payable	0	0	0	0	0
Accounts payable - HUD	0	0	0	0	0
Accounts payable - other gov.	27,727	0	0	0	27,727
Tenant security deposits	137,649	0	0	0	137,649
Unearned revenue	9,695	0	0	0	9,695
Current portion of L-T debt - capital projects	0	0	0	0	0
Other current liabilities	7,051	0	0	0	7,051
Interprogram (due to)	406,057	138,798	24,696	(569,551)	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>842,706</b>	<b>150,621</b>	<b>40,695</b>	<b>(569,551)</b>	<b>464,471</b>
<b>NONCURRENT LIABILITIES</b>					
Long-term debt, net of current - capital projects	0	0	0	0	0
Accrued comp. absences - long term	186,935	37,865	53,754	0	278,554
Noncurrent liabilities - other	0	0	0	0	0
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>186,935</b>	<b>37,865</b>	<b>53,754</b>	<b>0</b>	<b>278,554</b>
<b>TOTAL LIABILITIES</b>	<b>1,029,641</b>	<b>188,486</b>	<b>94,449</b>	<b>(569,551)</b>	<b>743,025</b>
<b>NET POSITION:</b>					
Investment in Capital Assets	13,404,107	4,667	5,767	0	13,414,541
Restricted	1,996,885	0	3,300	0	2,000,185
Unrestricted	5,886,166	101,417	27,637	0	6,015,220
<b>TOTAL NET POSITION</b>	<b>21,287,158</b>	<b>106,084</b>	<b>36,704</b>	<b>0</b>	<b>21,429,946</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 22,316,799</b>	<b>\$ 294,570</b>	<b>\$ 131,153</b>	<b>\$ (569,551)</b>	<b>\$ 22,172,971</b>

**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, 2016**

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Capital Fund 14.872	State/Local	Housing Choice Vouchers 14.871	TOTAL
<b>REVENUES:</b>					
Net tenant rental revenue	\$ 659,458	\$ 0	\$ 0	\$ 0	\$ 659,458
Tenant revenue - other	61,708	0	0	0	61,708
Total tenant revenue	721,166	0	0	0	721,166
HUD PHA grants - operating	2,935,671	400,372	0	3,241,401	6,577,444
HUD PHA grants - capital	0	429,286	0	0	429,286
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	559	0	11	0	570
Proceeds from disposition of assets held for sale	113,929	0	0	0	113,929
Mortgage interest income	12,545	0	0	0	12,545
Cost of sale of assets	(119,287)	0	0	0	(119,287)
Fraud income	0	0	0	22,829	22,829
Other revenue	6,198	0	304,908	26,521	337,627
Investment income - restricted	112	0	0	0	112
Gain/(loss) on disposition	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$ 3,670,893</b>	<b>\$ 829,658</b>	<b>\$ 304,919</b>	<b>\$ 3,290,751</b>	<b>\$ 8,096,221</b>
<b>EXPENSES:</b>					
Administrative					
Administrative salaries	\$ 337,346	\$ 62,362	\$ 146,621	\$ 186,784	\$ 733,113
Auditing fees	14,160	0	1,770	3,550	19,480
Management fees	0	0	0	0	0
Bookkeeping fees	0	0	0	0	0
Advertising & marketing	5,522	0	827	898	7,247
Employee benefits - administrative	128,256	9,280	44,072	63,694	245,302
Office expense	185,290	0	25,958	47,875	259,123
Legal expense	8,519	0	0	0	8,519
Travel expense	18,870	0	749	3,643	23,262
Overhead allocated	1,153,173	0	0	0	1,153,173
Other operating - administrative	1,880	14,762	44,799	2,437	63,878
Total Administrative Expense	1,853,016	86,404	264,796	308,881	2,513,097
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	13,433	0	0	0	13,433
Total Tenant Services	13,433	0	0	0	13,433

**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, 2016**

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Capital Fund 14.872	State/Local	Housing Choice Vouchers 14.871	TOTAL
Utilities					
Water	141,406	0	0	0	141,406
Electricity	106,866	0	0	0	106,866
Gas	6,048	0	0	0	6,048
Sewer	175,375	0	0	0	175,375
Other utilities	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	429,695	0	0	0	429,695
Ordinary Maintenance & Operation					
Labor	322,772	0	0	0	322,772
Materials	426,166	83,968	4,571	2,942	517,647
Employee benefit contributions	137,301	0	0	0	137,301
Garbage & trash removal contracts	101,465	0	0	0	101,465
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	100,958	0	0	0	100,958
Unit turnaround contracts	0	0	0	0	0
Electrical contracts	0	0	0	0	0
Plumbing contracts	0	0	0	0	0
Extermination contracts	23,516	0	0	0	23,516
Janitorial contracts	0	0	0	0	0
Routine maintenance	56,519	0	0	0	56,519
Contract costs - other	4,790	0	0	0	4,790
Total Ordinary Maintenance & Operation	1,173,487	83,968	4,571	2,942	1,264,968
Protective services					
Protective services - salaries	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0
Other protective services	96,496	0	0	0	96,496
Total Protective Services	96,496	0	0	0	96,496
Insurance Premiums					
Property insurance	127,722	0	2,622	1,583	131,927
Liability insurance	5,530	0	1,253	1,584	8,367
Workmen's compensation	22,757	0	5,161	6,523	34,441
Insurance - other	5,210	0	0	0	5,210
Total Insurance Premiums	161,219	0	9,036	9,690	179,945
General Expenses					
Other general expense	10,629	0	1,803	4,810	17,242
Payments in lieu of taxes	27,727	0	0	0	27,727
Bad debt - tenant rents	7,610	0	0	0	7,610
Compensated absences	13,528	0	2,985	6,392	22,905
Severance expense	0	0	0	0	0
Total General Expenses	59,494	0	4,788	11,202	75,484
<b>TOTAL OPERATING EXPENSE</b>	<b>3,786,840</b>	<b>170,372</b>	<b>283,191</b>	<b>332,715</b>	<b>4,573,118</b>
<b>EXCESS OPERATING REVENUE</b>	<b>(115,947)</b>	<b>659,286</b>	<b>21,728</b>	<b>2,958,036</b>	<b>3,523,103</b>

**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, 2016**

<u>Account Description</u>	Low-Rent Public Hsg 14.850	Capital Fund 14.872	State/Local	Housing Choice Vouchers 14.871	TOTAL
Other Expenses					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	0	2,971,096	2,971,096
Housing assistance payments - Port-in	0	0	0	24,115	24,115
Depreciation expense	1,405,651	0	5,418	2,386	1,413,455
Total Other Expenses	1,405,651	0	5,418	2,997,597	4,408,666
<b>TOTAL EXPENSES</b>	<b>\$ 5,192,491</b>	<b>\$ 170,372</b>	<b>\$ 288,609</b>	<b>\$ 3,330,312</b>	<b>\$ 8,981,784</b>
Operating transfer in	230,000	0	0	0	230,000
Operating transfer out	0	(230,000)	0	0	(230,000)
Special item (net gain/loss)	(322,881)	0	0	0	(322,881)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ (1,614,479)</b>	<b>\$ 429,286</b>	<b>\$ 16,310</b>	<b>\$ (39,561)</b>	<b>\$ (1,208,444)</b>
Transfer of equity	429,286	(429,286)	0	0	0
Prior period adjustments	0	0	0	0	0
<b>Beginning Net Position</b>	<b>22,472,351</b>	<b>0</b>	<b>89,774</b>	<b>76,265</b>	<b>22,638,390</b>
<b>Ending Net Position</b>	<b>\$ 21,287,158</b>	<b>\$ 0</b>	<b>\$ 106,084</b>	<b>\$ 36,704</b>	<b>\$ 21,429,946</b>
Administrative Fee Equity	-	-	-	33,404	33,404
Housing Choice Voucher Equity	-	-	-	3,300	3,300
Units Available	9,384	-	-	6,864	16,248
Units Leased	9,120	-	-	5,802	14,922

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

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS - AMPs**  
**JUNE 30, 2016**

<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>
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Cash:					
Cash - unrestricted	\$ 920,588	\$ 757,459	\$ 652,359	\$ 1,070,471	\$ 1,192,317
Cash - restricted	0	0	0	0	0
Cash - tenant security deposits	22,519	16,742	19,208	23,966	25,661
Total Cash	943,107	774,201	671,567	1,094,437	1,217,978
Accounts and notes receivables:					
Accounts receivable - HUD	19,960	1,206	3,219	350	11,883
Accounts receivable - other government	0	0	0	0	0
Accounts receivable - miscellaneous	106,542	0	0	2,678	0
Accounts receivable - tenants rents	554	1,246	1,870	2,733	2,167
Allowance for doubtful accounts - tenants	0	(20)	(638)	(1,059)	0
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	127,056	2,432	4,451	4,702	14,050
Current investments:					
Investments - unrestricted	223,169	0	0	0	0
Investments - restricted	0	0	0	0	0
Prepaid expenses and other assets	40,745	1,444	1,464	3,953	3,014
Inventories	250,971	1,717	56	10,172	10,047
Allowance for obsolete inventories	(404)	0	0	0	0
Assets held for sale	0	0	0	0	0
Interprogram due from	0	183,543	78,130	101,211	154,046
TOTAL CURRENT ASSETS	1,584,644	963,337	755,668	1,214,475	1,399,135
<b>NONCURRENT ASSETS:</b>					
Capital Assets:					
Land	243,009	229,654	227,812	649,521	525,051
Buildings	7,831,444	5,537,565	4,926,839	6,766,785	7,353,011
Furniture & equipment - dwellings	82,042	66,618	67,198	76,824	78,204
Furniture & equipment - administration	1,210,275	45,350	45,760	63,476	5,773
Improvements	0	0	0	0	0
Work in process	200,171	165,158	179,021	133,473	107,823
Accumulated depreciation	(7,339,703)	(4,669,742)	(3,862,521)	(5,226,855)	(4,981,525)
Total capital assets - net	2,227,238	1,374,603	1,584,109	2,463,224	3,088,337
Notes receivable - noncurrent	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
TOTAL NONCURRENT ASSETS	2,227,238	1,374,603	1,584,109	2,463,224	3,088,337
<b>TOTAL ASSETS</b>	<b>\$ 3,811,882</b>	<b>\$ 2,337,940</b>	<b>\$ 2,339,777</b>	<b>\$ 3,677,699</b>	<b>\$ 4,487,472</b>

SOUTH CAROLINA REGIONAL TOURISM AUTHORITY  
 Financial Data Summary  
 NET PROJECT ACCOUNTS - AMT  
 YEAR 2019

<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>
\$ 539,567	\$ 197,557	\$ 0	\$ 0	\$ 0	\$ 5,330,318
0	0	778,478	0	0	778,478
13,562	7,072	9,019	0	0	137,749
<u>553,129</u>	<u>204,629</u>	<u>787,497</u>	<u>0</u>	<u>0</u>	<u>6,246,545</u>
0	0	0	0	0	36,618
0	0	0	0	0	0
0	0	0	0	0	109,220
1,099	739	31	0	0	10,439
0	0	0	0	0	(1,717)
0	0	0	0	0	0
0	0	9,058	0	0	9,058
0	0	862	0	0	862
<u>1,099</u>	<u>739</u>	<u>9,951</u>	<u>0</u>	<u>0</u>	<u>164,480</u>
0	0	0	0	0	223,169
0	0	111,607	0	0	111,607
1,145	2,881	7,179	0	0	61,825
3,809	5,842	0	0	0	282,614
0	0	0	0	0	(404)
0	0	971,352	0	0	971,352
4,117	48,504	0	0	0	569,551
<u>563,299</u>	<u>262,595</u>	<u>1,887,586</u>	<u>0</u>	<u>0</u>	<u>8,630,739</u>
155,217	159,602	18,000	0	0	2,207,866
3,776,243	2,133,748	531,991	0	0	38,857,626
47,410	23,013	0	0	0	441,309
89,736	25,466	9,630	0	0	1,495,466
0	0	0	0	0	0
46,397	34,055	1,450	0	0	867,548
<u>(2,777,128)</u>	<u>(1,585,418)</u>	<u>(22,816)</u>	<u>0</u>	<u>0</u>	<u>(30,465,708)</u>
<u>1,337,875</u>	<u>790,466</u>	<u>538,255</u>	<u>0</u>	<u>0</u>	<u>13,404,107</u>
0	0	281,953	0	0	281,953
0	0	0	0	0	0
<u>1,337,875</u>	<u>790,466</u>	<u>820,208</u>	<u>0</u>	<u>0</u>	<u>13,686,060</u>
<u>\$ 1,901,174</u>	<u>\$ 1,053,061</u>	<u>\$ 2,707,794</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,316,799</u>

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

FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS - AMPs  
JUNE 30, 2016

<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>
<b>LIABILITIES AND NET POSITION:</b>					
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES</b>					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	43,533	19,759	22,852	37,862	27,876
Accrued salaries/payroll withholding	10,298	5,677	6,945	7,286	8,645
Accrued compensated absences	3,541	4,572	3,470	3,427	4,571
Accrued interest payable	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0
Accounts payable - other gov.	0	1,438	0	6,486	9,475
Tenant security deposits	22,419	16,742	19,208	24,066	25,661
Unearned revenue	676	1,382	1,830	1,913	1,561
Current portion of L-T debt - capital projects	0	0	0	0	0
Other current liabilities	0	0	0	0	0
Interprogram (due to)	283,997	0	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>364,464</b>	<b>49,570</b>	<b>54,305</b>	<b>81,040</b>	<b>77,789</b>
<b>NONCURRENT LIABILITIES</b>					
Long-term debt, net of current - capital projects	0	0	0	0	0
Accrued comp. absences - long term	35,271	31,435	32,391	30,760	21,440
Noncurrent liabilities - other	0	0	0	0	0
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>35,271</b>	<b>31,435</b>	<b>32,391</b>	<b>30,760</b>	<b>21,440</b>
<b>TOTAL LIABILITIES</b>	<b>399,735</b>	<b>81,005</b>	<b>86,696</b>	<b>111,800</b>	<b>99,229</b>
<b>NET POSITION:</b>					
Investment in Capital Assets	2,227,238	1,374,603	1,584,109	2,463,224	3,088,337
Restricted	0	0	0	0	0
Unrestricted	1,184,909	882,332	668,972	1,102,675	1,299,906
<b>TOTAL NET POSITION</b>	<b>3,412,147</b>	<b>2,256,935</b>	<b>2,253,081</b>	<b>3,565,899</b>	<b>4,388,243</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 3,811,882</b>	<b>\$ 2,337,940</b>	<b>\$ 2,339,777</b>	<b>\$ 3,677,699</b>	<b>\$ 4,487,472</b>

SOUTH CAROLINA REGIONAL HEARING AUTHORITY NO. 2  
 Darlington, South Carolina  
 FINANCIAL DATA SUBMISSION SUMMARY  
 REVENUE EXPENSE AND CHARGES BY  
 NET POSITION ACCOUNT - COMBINED FORMULA - 2016  
 FOR THE YEAR ENDING APRIL 30, 2016

SC 004-06	SC 004-07	SC 004-08	SC 004-9999	Other Project	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
14,254	8,641	5,485	0	0	180,262
4,812	2,818	3,867	0	0	50,348
1,530	962	1,844	0	0	23,917
0	0	0	0	0	0
0	0	0	0	0	0
4,344	0	5,984	0	0	27,727
13,462	7,072	9,019	0	0	137,649
695	890	748	0	0	9,695
0	0	0	0	0	0
0	0	7,051	0	0	7,051
0	0	122,060	0	0	406,057
39,097	20,383	156,058	0	0	842,706
0	0	0	0	0	0
9,148	9,894	16,596	0	0	186,935
0	0	0	0	0	0
9,148	9,894	16,596	0	0	186,935
48,245	30,277	172,654	0	0	1,029,641
1,337,875	790,466	538,255	0	0	13,404,107
0	0	1,996,885	0	0	1,996,885
515,054	232,318	0	0	0	5,886,166
1,852,929	1,022,784	2,535,140	0	0	21,287,158
\$ 1,901,174	\$ 1,053,061	\$ 2,707,794	\$ 0	\$ 0	\$ 22,316,799

**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, 2016**

<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>
<b>REVENUES:</b>					
Net tenant rental revenue	\$ 105,512	\$ 79,598	\$ 50,040	\$ 145,438	\$ 136,053
Tenant revenue - other	10,497	3,388	7,463	18,357	6,578
Total tenant revenue	116,009	82,986	57,503	163,795	142,631
HUD PHA grants - operating	674,608	501,787	522,109	547,843	531,018
HUD PHA grants - capital	140,476	87,026	70,332	32,725	46,356
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	559	0	0	0	0
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	78
Proceeds from disposition of assets held for sale	0	0	0	0	0
Gain/(loss) on disposition	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$ 931,652</b>	<b>\$ 673,059</b>	<b>\$ 653,544</b>	<b>\$ 744,363</b>	<b>\$ 720,083</b>
<b>EXPENSES:</b>					
Administrative					
Administrative salaries	\$ 99,252	\$ 37,951	\$ 51,939	\$ 37,122	\$ 68,535
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	2,053	1,686	1,027	756	0
Employee benefits - administrative	30,978	13,526	20,654	12,526	18,829
Office expense	25,841	19,844	32,657	22,092	21,272
Legal expense	0	0	0	0	4,281
Travel expense	5,023	1,458	3,318	845	2,198
Allocated overhead	216,791	175,283	176,821	196,809	206,035
Other operating - administrative	4,903	1,073	2,527	2,182	3,877
Total Administrative Expense	386,611	252,591	290,713	274,102	326,797
Asset management fee	0	0	0	0	0
Tenant services					
Tenant services - salaries	0	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0
Other tenant services	4,452	1,087	1,038	271	1,686
Total Tenant Services	4,452	1,087	1,038	271	1,686
Utilities					
Water	54,127	20,516	20,940	25,158	8,878
Electricity	15,039	17,518	16,210	21,392	20,445
Gas	1,521	772	2,588	0	341
Sewer	71,610	25,607	18,969	32,663	9,182
Other utilities	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	142,297	64,413	58,707	79,213	38,846

SC 004-06	SC 004-07	SC 004-08	SC 004-9999	Other Project	TOTAL
\$ 67,119	\$ 12,057	\$ 63,641	\$ 0	\$ 0	\$ 659,458
2,477	5,014	7,934	0	0	61,708
69,596	17,071	71,575	0	0	721,166
316,241	190,386	52,051	0	0	3,336,043
38,916	12,005	1,450	0	0	429,286
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
0	0	0	0	0	559
0	0	112	0	0	112
0	0	12,545	0	0	12,545
0	0	(119,287)	0	0	(119,287)
0	0	0	0	0	0
1,260	0	0	0	0	6,198
0	0	113,929	0	0	113,929
0	0	0	0	0	0
\$ 426,013	\$ 219,462	\$ 132,375	\$ 0	\$ 0	\$ 4,500,551
\$ 32,911	\$ 17,594	\$ 54,404	\$ 0	\$ 0	\$ 399,708
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	5,522
10,310	6,388	24,325	0	0	137,536
17,468	12,115	34,001	0	0	185,290
3,421	0	817	0	0	8,519
3,591	1,736	701	0	0	18,870
123,006	58,428	0	0	0	1,153,173
1,469	610	1	0	0	16,642
193,946	98,641	116,019	0	0	1,939,420
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,718	1,181	0	0	0	13,433
3,718	1,181	0	0	0	13,433
5,750	5,872	165	0	0	141,406
12,006	1,789	2,467	0	0	106,866
0	0	826	0	0	6,048
6,644	10,407	293	0	0	175,375
0	0	0	0	0	0
0	0	0	0	0	0
24,400	18,068	3,751	0	0	429,695

**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, 2016**

<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	82,921	44,502	54,291	50,289	20,148
Materials	126,988	46,163	94,718	71,325	77,057
Employee benefit contributions	34,889	21,168	22,117	19,290	9,143
Garbage & trash removal contracts	15,074	13,048	13,806	26,851	9,488
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	10,937	21,857	16,413	16,750	15,070
Unit turnaround contracts	0	0	0	0	0
Electrical contracts	0	0	0	0	0
Plumbing contracts	0	0	0	0	0
Extermination contracts	3,976	3,248	3,332	3,640	3,808
Janitorial contracts	0	0	0	0	0
Routine maintenance	5,752	462	11,656	1,195	22,895
Contract costs - other	771	516	686	1,922	0
Total Ordinary Maintenance & Operation	281,308	150,964	217,019	191,262	157,609
Protective services					
Protective services - salaries	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0
Other protective services	17,166	6,723	12,381	25,804	17,403
Total Protective Services	17,166	6,723	12,381	25,804	17,403
Insurance Premiums					
Property insurance	22,566	15,947	15,972	24,491	25,453
Liability insurance	1,237	703	898	669	586
Workmen's compensation	5,081	2,879	3,694	2,759	2,433
Insurance - other	1,013	950	935	548	121
Total Insurance Premiums	29,897	20,479	21,499	28,467	28,593
General Expenses					
Other general expense	1,521	760	53	312	1,563
Payments in lieu of taxes	0	1,438	0	6,486	9,475
Bad debt - tenant rents	0	1,102	1,929	1,059	1,985
Compensated absences	7,505	0	0	0	180
Severance expense	0	0	0	0	0
Total General Expenses	9,026	3,300	1,982	7,857	13,203
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	0	0	0	0	0
<b>TOTAL OPERATING EXPENSE</b>	<b>870,757</b>	<b>499,557</b>	<b>603,339</b>	<b>606,976</b>	<b>584,137</b>
<b>EXCESS OPERATING REVENUE</b>	<b>60,895</b>	<b>173,502</b>	<b>50,205</b>	<b>137,387</b>	<b>135,946</b>

<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>
33,156	22,542	14,923	0	0	322,772
44,768	28,405	20,710	0	0	510,134
14,428	9,641	6,625	0	0	137,301
14,259	8,795	144	0	0	101,465
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,653	2,250	7,028	0	0	100,958
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,268	1,092	2,152	0	0	23,516
0	0	0	0	0	0
1,288	0	13,271	0	0	56,519
317	578	0	0	0	4,790
<u>121,137</u>	<u>73,303</u>	<u>64,853</u>	<u>0</u>	<u>0</u>	<u>1,257,455</u>
0	0	0	0	0	0
0	0	0	0	0	0
9,240	7,779	0	0	0	96,496
<u>9,240</u>	<u>7,779</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>96,496</u>
12,214	5,785	5,294	0	0	127,722
563	338	536	0	0	5,530
2,308	1,393	2,210	0	0	22,757
989	430	224	0	0	5,210
<u>16,074</u>	<u>7,946</u>	<u>8,264</u>	<u>0</u>	<u>0</u>	<u>161,219</u>
787	0	5,633	0	0	10,629
4,344	0	5,984	0	0	27,727
241	395	899	0	0	7,610
983	1,949	2,911	0	0	13,528
0	0	0	0	0	0
<u>6,355</u>	<u>2,344</u>	<u>15,427</u>	<u>0</u>	<u>0</u>	<u>59,494</u>
0	0	0	0	0	0
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>374,870</u>	<u>209,262</u>	<u>208,314</u>	<u>0</u>	<u>0</u>	<u>3,957,212</u>
<u>51,143</u>	<u>10,200</u>	<u>(75,939)</u>	<u>0</u>	<u>0</u>	<u>543,339</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, 2016**

<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	294,656	164,134	169,527	249,467	267,714
Total Other Expenses	294,656	164,134	169,527	249,467	267,714
<b>TOTAL EXPENSES</b>	<b>\$ 1,165,413</b>	<b>\$ 663,691</b>	<b>\$ 772,866</b>	<b>\$ 856,443</b>	<b>\$ 851,851</b>
Transfer of operating funds - in	50,000	25,000	33,500	30,000	26,500
Transfer of operating funds - out	(50,000)	(25,000)	(33,500)	(30,000)	(26,500)
Special items Net Gain/(Loss)	0	0	0	0	0
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ (233,761)</b>	<b>\$ 9,368</b>	<b>\$ (119,322)</b>	<b>\$ (112,080)</b>	<b>\$ (131,768)</b>
Transfer of equity	0	0	0	0	0
Prior period adjustments	0	0	0	0	0
<b>Beginning Net Position</b>	<b>3,645,908</b>	<b>2,247,567</b>	<b>2,372,403</b>	<b>3,677,979</b>	<b>4,520,011</b>
<b>Ending Net Position</b>	<b>\$ 3,412,147</b>	<b>\$ 2,256,935</b>	<b>\$ 2,253,081</b>	<b>\$ 3,565,899</b>	<b>\$ 4,388,243</b>
Units Available	1680	1380	1392	1536	1620
Units Leased	1647	1355	1348	1505	1573

<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
155,003	84,207	20,943	0	0	1,405,651
155,003	84,207	20,943	0	0	1,405,651
<u>\$ 529,873</u>	<u>\$ 293,469</u>	<u>\$ 229,257</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,362,863</u>
40,000	25,000	0	0	0	230,000
(40,000)	(25,000)	0	0	0	(230,000)
0	0	(322,881)	0	0	(322,881)
<u>\$ (103,860)</u>	<u>\$ (74,007)</u>	<u>\$ (419,763)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,185,193)</u>
0	0	0	0	0	0
0	0	0	0	0	0
1,956,789	1,096,791	2,954,903	0	0	22,472,351
<u>\$ 1,852,929</u>	<u>\$ 1,022,784</u>	<u>\$ 2,535,140</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,287,158</u>
960	456	360	0	0	9,384
941	448	303	0	0	9,120

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

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<b><u>FEDERAL GRANTOR</u></b>			
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</u></b>			
<b>Public Housing:</b>			
Public and Indian Housing	A - Major	14.850	\$ 2,935,671
Public Housing Capital Fund	A - Major	14.872	829,658
<b>Section 8 Housing Assistance Program:</b>			
Section 8 Housing Choice Vouchers	A - Major	14.871	<u>3,241,401</u>
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ <u>7,006,730</u></b>
<b>Threshold for Type A &amp; Type B</b>			<b>\$ <u>750,000</u></b>

**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, 2016**

**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, 2016.

**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, 2016.
- 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, 2016.
- The South Carolina Regional Housing Authority No. 3 maintains the following limits of insurance as of June 30, 2016:

Property	\$ 60,413,781
Liability	\$ 1,000,000
Commercial Auto Liability	\$ 1,000,000
Worker Compensation	\$ 500,000
Employee Dishonesty	\$ 150,000
Inland Marine	\$ 136,798
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, 2016**

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

**SCHEDULE AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Annual Contributions Contract A-4090**

**Phase SC16P024501-13**

- 1 The Modernization Costs for Phase SC16P024501-13 were:

Funds Approved	\$ 990,989
Funds Expended	<u>990,989</u>
Excess of Funds Approved	\$ <u>-</u>
Funds Advanced	\$ 990,989
Funds Expended	<u>990,989</u>
Excess of Funds Advanced	\$ <u>-</u>

- 2 Audit period additions were \$77,654 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 May 26, 2016 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.