

DEERINAK SPRINGS HOUSING AUTHORITY

**FINANCIAL STATEMENTS
&
SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2014

DEFUNIAK SPRINGS HOUSING AUTHORITY
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DEFUNIAK SPRINGS HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2014

Management's Discussion and Analysis

The Management's Discussion and Analysis (the "MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of Defuniak Springs, FL Housing Authority (FL039)'s, (the "Authority") financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify issues or concerns. This will now be presented at the front of each year's financial statements.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- Net position at June 30, 2014, decreased to \$960,040. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position. Net position was \$1,039,026 for 2013.
- The business-type activities operating revenue at June 30, 2014, increased to \$241,246. Total operating revenue was \$201,307 for 2013.
- The total operating expenses of all programs for June 30, 2014, increased to \$325,902. Total operating expenses were \$310,528 for 2013.
- Total capital grant contributions at June 30, 2014, decreased to \$4,737. Total capital grant contributions were \$87,625 for 2013.

Overview of the Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements.

The following statements are included:

- Statement of Net Position – reports current financial resources (short-term expendable resources) with capital assets and long-term obligations.
- Statement of Revenue, Expenses, and Changes in Fund Net Position - reports operating and nonoperating revenue, by major source along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – reports cash flows from operating, investing, capital, non-capital activities.

Programs

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy and capital grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income (as defined in the HUD regulations).

Capital Fund Grants – The Authority's capital funds are received from the federal government through a formula driven computation. These funds are used to upgrade our facilities at various developments to give our residents the decent and safe living environment they need. Each year's grant funds must be entirely obligated within two years of inception of the grant, and entirely expended within four years.

FINANCIAL ANALYSIS

The following tables focus on the net position and the change in net position of the primary government as a whole.

TABLE 1 – STATEMENT OF NET POSITION

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 169,299	\$ 186,275	\$ (16,976)	-9.11%
Capital Assets, Net	874,494	934,713	(60,219)	-6.44%
Total Assets	<u>1,043,793</u>	<u>1,120,988</u>	<u>(77,195)</u>	<u>-6.89%</u>
Current Liabilities	35,587	33,870	1,717	5.07%
Noncurrent Liabilities	48,166	48,092	74	0.15%
Total Liabilities	<u>83,753</u>	<u>81,962</u>	<u>1,791</u>	<u>2.19%</u>
Net Position:				
Net Investment in Capital Assets	874,494	934,713	(60,219)	-6.44%
Unrestricted	85,546	104,313	(18,767)	-17.99%
Total Net Position	<u>\$ 960,040</u>	<u>\$ 1,039,026</u>	<u>\$ (78,986)</u>	<u>-7.60%</u>

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets decreased by \$16,976 due to a net decrease in cash and investments.

Capital assets decreased by \$60,219 due to the increase in accumulated depreciation exceeding capital asset additions.

Current liabilities increased by \$1,717 primarily due to an increase in accrued wages and payroll tax liabilities resulting from timing differences that were partially offset by a decrease in tenant security deposit liabilities.

TABLE 2 – STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

The following schedule compares the revenue and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Operating Revenues				
Rental and Other Income	\$ 126,366	124,699	\$ 1,667	1.34%
Federal Grants	114,338	62,895	51,443	81.79%
Other	542	13,713	(13,171)	-96.05%
Total Operating Revenues	<u>241,246</u>	<u>201,307</u>	<u>39,939</u>	<u>19.84%</u>
Operating Expenses				
Administration	146,361	135,907	10,454	7.69%
Utilities	19,695	18,576	1,119	6.02%
Maintenance	65,708	69,082	(3,374)	-4.88%
General	29,181	29,532	(351)	-1.19%
Depreciation	64,957	57,431	7,526	13.10%
Total Operating Expenses	<u>325,902</u>	<u>310,528</u>	<u>15,374</u>	<u>4.95%</u>
Operating Income (loss)	<u>(84,656)</u>	<u>(109,221)</u>	<u>24,565</u>	<u>-22.49%</u>
Nonoperating revenues (expenses):				
Interest Revenue	933	2,217	(1,284)	-57.92%
Gain on Sale of Capital Assets	-	2,650	(2,650)	-100.00%
Capital Contributions	4,737	87,625	(82,888)	-94.59%
Total Nonoperating Activity	<u>5,670</u>	<u>92,492</u>	<u>(86,822)</u>	<u>-93.87%</u>
Change in Net Position	<u>(78,986)</u>	<u>(16,729)</u>	<u>(62,257)</u>	<u>372.15%</u>
Beginning Net Position	<u>1,039,026</u>	<u>1,055,755</u>	<u>(16,729)</u>	<u>-1.58%</u>
Ending Net Position	<u>\$ 960,040</u>	<u>\$ 1,039,026</u>	<u>\$ (78,986)</u>	<u>-7.60%</u>

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

The decrease in net position was \$78,986 due to an excess in operating expenses over operating revenues as well as due to a decrease in capital contributions this year.

The Authority had an operating loss of \$84,656 including non-cash depreciation expense of \$64,957 versus an operating loss of \$109,221 and depreciation expense of \$57,431 in the prior year.

Total operating revenue increased by \$39,939 to \$241,246 due to an increase in federal grants.

Total operating expenses increased by \$15,374 to \$325,902 due to increases primarily in administration and depreciation expenses.

Capital contributions decreased to \$4,737 due to a decrease in ongoing capital fund modernization projects this year.

CAPITAL ASSETS

As of June 30, 2014, investment in capital assets for its business-type activities was \$874,494 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

Major capital asset purchases during the current fiscal year included the following:

- Computers

There were no major capital asset disposals during the current fiscal year.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflation, recession and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Ms. Pam Brewster, Executive Director, Defuniak Springs Housing Authority, (850)892-2823.



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To the Board of Commissioners
DeFuniak Springs Housing Authority

Report on the Financial Statements

We have audited the basic financial statements of the DeFuniak Springs Housing Authority (the "Authority"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The accompanying supplementary information including the financial data schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the financial statements.

The financial data schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Henderson & DeJohn, LLC

Birmingham, AL
November 25, 2014



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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

To the Board of Commissioners
DeFuniak Springs Housing Authority

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 basic financial statements of the DeFuniak Springs Housing Authority (the "Authority"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 25, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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.

Henderson & DeJohn, LLC

Birmingham, AL
November 25, 2014

DEFUNIAK SPRINGS HOUSING AUTHORITY
STATEMENT OF NET POSITION
ENTERPRISE FUND
JUNE 30, 2014

	\$
ASSETS	
Unrestricted cash and cash equivalents	45,969
Restricted cash and cash equivalents	9,950
Investments	100,000
Tenants receivable, net	408
Accrued interest receivable	639
Prepaid expenses and other assets	12,333
Capital assets:	
Land and construction in progress	59,118
Buildings and equipment, net of depreciation	815,376
Total capital assets	<u>874,494</u>
Total assets	<u>1,043,793</u>
LIABILITIES	
Accounts payable	1,569
Accrued liabilities	7,391
Intergovernmental payables	10,656
Tenant security deposits	9,950
Unearned revenue	45
Long-term liabilities:	
Due within one year:	
Compensated absences, current portion	5,976
Due in more than one year:	
Compensated absences, net of current portion	5,560
Long-term liabilities - other	<u>42,606</u>
Total liabilities	<u>83,753</u>
NET POSITION	
Net investment in capital assets	874,494
Unrestricted	85,546
Total net position	<u><u>\$ 960,040</u></u>

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

DEFUNIAK SPRINGS HOUSING AUTHORITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 ENTERPRISE FUND
 FOR YEAR ENDED JUNE 30, 2014

OPERATING REVENUES	
Rental income	\$ 126,366
Federal grants	114,338
Other	<u>542</u>
Total operating revenues	<u>241,246</u>
OPERATING EXPENSES	
Administration	146,361
Utilities	19,695
Maintenance	65,708
General	29,181
Depreciation	<u>64,957</u>
Total operating expenses	<u>325,902</u>
Operating income (loss)	(84,656)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	<u>933</u>
Income (loss) before contributions	(83,723)
Capital contributions	<u>4,737</u>
Change in net position	(78,986)
Total net position - beginning of the year	<u>1,039,026</u>
Total net position - end of the year	<u>\$ 960,040</u>

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

DEFUNIAK SPRINGS HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES		\$
Receipts from tenants	124,547	
Federal grants	114,338	
Other receipts	542	
Payments to suppliers	(85,073)	
Payments to or on behalf of employees	(173,281)	
Net cash provided (used) by operating activities	<u>(18,927)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(4,737)	
Capital contributions	4,737	
Net cash provided (used) by capital financing activities	<u>-</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	293	
Proceeds from sale of investments	66,295	
Net cash provided (used) by investing activities	<u>66,588</u>	
Net increase (decrease) in cash and cash equivalents	47,661	
Balances - beginning of the year	8,258	
Balances - end of the year	<u><u>\$ 55,919</u></u>	
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (84,656)	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	64,957	
Change in assets and liabilities:		
Receivables, net	(408)	
Prepays and other assets	(611)	
Accounts payable	522	
Intergovernmental payables	92	
Unearned revenue	14	
Accrued liabilities	2,316	
Compensated absences	97	
Tenant security deposits	(1,250)	
Net cash provided (used) by operating activities	<u><u>\$ (18,927)</u></u>	

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

DEFUNIAK SPRINGS HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Defuniak Springs Housing Authority (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes in Fund Net Position
 - Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the “enterprise fund” in the basic financial statements. Significant Authority policies are described below.

A. The Reporting Entity

The Authority was established as a tax-exempt quasi-governmental entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low and moderate income families in Walton County, Florida. The governing body of the Authority is composed of a 5 member appointed Board of Commissioners (the “Board”). The Mayor appoints the Board, who in turn hires the Executive Director. The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority’s management. The Authority has no component units.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority’s financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund’s activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses and Changes in Fund Net Position after income before contributions and before changes in net position.

DEFUNIACK SPRINGS HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

C. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

D. Receivables

All receivables are current and due within one year. Receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible.

E. Restricted Assets and Liabilities

Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

F. Inventories

Inventories are accounted for under the consumption method and recorded at the lower of cost or market, net of an allowance for obsolete inventories. Materials and supplies are recorded as inventories when purchased and as expenditures when used. Allowances are reported when material and supplies are deemed obsolete.

G. Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit future periods.

H. Capital Assets

Capital assets include property, furniture, equipment and machinery. Capital assets with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	25-40
Improvements other than buildings	15-25
Furniture, equipment, and machinery	7-10

I. Compensated Absences

The Authority's policy allows employees to accumulate up to 240 vacation hours and be paid for them upon separation. Time accrued beyond that is forfeited unless exception is granted by the Board. The majority of employees utilize their annual accrual of vacation leave during the year accrued. The Authority records compensated absences in the period they are earned and uses a systematic allocation process to allocate between short-term and long-term liability classification.

J. Unearned Revenue

The Authority recognizes revenues as earned. An amount received in advance of the period in which it is earned is recorded as a liability under unearned revenue.

DEFUNIAK SPRINGS HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Recent Accounting Pronouncements

The Authority's management has assessed the potential impact of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and determined this is not applicable as the Authority provides no other postemployment benefits.

The Authority adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These determinations are based on the definitions of those elements in Concepts Statement No. 4, *Elements of Financial Statements*. The adoption of GASB 65 had no material effect on the Authority's basic financial statements.

The Authority adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accountability and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accounting and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The adoption of GASB 67 had no material effect on the Authority's basic financial statements.

The Authority adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. As used in this Statement, a nonexchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. The provisions of this Statement should be applied to financial statements of all state and local governments. The adoption of GASB Statement No. 70 had no material effect on the Authority's basic financial statements.

M. Future Accounting Pronouncements

The Authority will be adopting GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* during its next fiscal year. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The adoption of GASB Statement No. 68 had no material effect on the Authority's June 30, 2014 basic financial statements but could have a material effect on the Authority's June 30, 2015 basic financial statements as any related unfunded liability is required to be presented on the Statement of Net Position.

DEFUNIAK SPRINGS HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2014

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

Cash and investments may be invested in the following HUD-approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At June 30, 2014, cash was in bank deposits or money market accounts that were insured or collateralized with securities held by the Authority or by its agent in the Authority's name. The investments were in certificates of deposit. Cash and Investments balances at June 30, 2014 totaled \$55,919 and \$100,000, respectively.

Interest Rate Risk – The Authority's formal investment policy does not specifically address the exposure to this risk.

Credit Risk – The Authority's formal investment policy does not specifically address credit risk. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

Custodial Credit Risk – The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Concentration of Credit Risk – The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Capital assets not being depreciated					
Land	\$ 54,381	\$ -	\$ -	\$ -	\$ 54,381
Construction in progress	109,140	4,737	-	(109,140)	4,737
Total capital assets not being depreciated	163,521	4,737	-	(109,140)	59,118
Capital assets being depreciated					
Buildings and improvements	1,635,017	-	-	100,711	1,735,728
Equipment	55,641	-	-	8,429	64,070
Total capital assets being depreciated	1,690,658	-	-	109,140	1,799,798
Less accumulated depreciation for:					
Buildings and improvements	(882,036)	(59,376)	-	-	(941,412)
Equipment	(37,429)	(5,581)	-	-	(43,010)
Total accumulated depreciation	(919,465)	(64,957)	-	-	(984,422)
Capital assets, net	\$ 934,714	\$ (60,220)	\$ -	\$ -	\$ 874,494

B. Capital Contributions

The Authority receives capital grants from HUD. The Authority recognized \$4,737 in capital contributions for the fiscal year ended June 30, 2014.

DEFUNIAK SPRINGS HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2014

NOTE 4 – LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liabilities at June 30, 2014 consisted of the following:

	Beginning		Ending		Due Within One Year
	Balance	Balance	Balance	Balance	
Accrued compensated absences	\$ 11,439	\$ 97	\$ -	\$ 11,536	\$ 5,976
Long-term liabilities - other	42,606	-	-	42,606	-
Total long-term liabilities	\$ 54,045	\$ 97	\$ -	\$ 54,142	\$ 5,976

B. Long-Term Liabilities - Other

On September 16, 2010, the Authority received a \$42,606 Public Housing Mitigation Initiative (PHMI) grant/loan from the Florida Housing Finance Corporation. This is a nine year note with no interest and no required formal repayment agreement. The purpose of this grant/loan was to assist in the preservation and rehabilitation of public housing dwelling that are 30 years old or older and are under the control of Public Housing Authorities. The amount was fully expended in prior years with a one to one match with ARRA Recovery Stimulus Funds. The amount of the PHMI funds (\$42,606) is forgivable on the Maturity Date (September 19, 2019) provided that the Authority has complied with the requirements of the grant/loan agreement for the nine year term, which includes, but is not limited to, the fact the Authority cannot demolish the units within seven years from rehabilitation completion.

NOTE 5 – PENSION PLAN (DEFINED BENEFIT)

Plan Description:

The Authority contributes to the Florida Retirement System (FRS), a cost-sharing, multiple-employer, defined benefit pension plan. FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Florida Legislature. FRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Florida Retirement System, Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or by calling 1-850-488-4742.

Funding Policy:

FRS members are required to contribute 3% of their annual covered salary. The contribution requirements of FRS members are established and may be amended only by the State of Florida Legislature. FRS members' contributions for the year ended June 30, 2014 were \$3,159. The Authority is required to contribute at an actuarially determined rate. The Authority's required contribution rate for the three years ending June 30, 2012, 2013, and 2014 were 4.91%, 5.18% and 6.95%, respectively, of annual payroll. The Authority's contributions for FRS for the three years ending June 30, 2012, 2013, and 2014 were \$5,608, \$6,154, and \$15,380, respectively.

NOTE 6 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverage. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

NOTE 7 – CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on availability of funding.

DEFUNIAK SPRINGS HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2014

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE 9 – SUBSEQUENT EVENTS

Events that occur after the balance sheet 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 the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through November 25, 2014 (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 statements.

NOTE 10 – FINANCIAL DATA SCHEDULE

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense from operating activities and includes investment revenue in operating activities, which differs from the presentation of the basic financial statements.

DEFUNIACK SPRINGS HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR YEAR ENDED JUNE 30, 2014

Financial Statement Findings

The Authority had no findings in 2014.



HENDERSON & DEJOHN, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Commissioners
DeFuniak Springs Housing Authority

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure described in the second paragraph of this report, which was agreed to by the DeFuniak Springs Housing Authority (the "Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFIRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged to perform an audit of the financial statements of the Authority as of and for the year ended June 30, 2014, and have issued our report thereon dated November 25, 2014. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Authority's Financial Data Schedule dated November 25, 2014, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the financial statement package and the FDS, which includes the auditor's report, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit report. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Procedure	UFIRS Rule Information	Hard Copy Documents	Does Not	
			Agrees	Agree
1	Balance Sheet, Revenue and Expense	Financial Data Schedule, all CPFDAs	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental Report on FDS	X	
4	Basic financial Statements and auditor's reports require to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Henderson & DeJohn, LLC

Henderson & DeJohn, LLC
November 25, 2014

DEFUNIAK SPRINGS HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2014

	Project Total	Subtotal	ELM	Total
111 Cash - Unrestricted	\$45,969	\$45,969		\$45,969
112 Cash - Restricted - Modernization and Development	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$0		\$0
114 Cash - Tenant Security Deposits	\$9,950	\$9,950		\$9,950
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0		\$0
100 Total Cash	\$55,919	\$55,919		\$55,919
121 Accounts Receivable - FHA Projects	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0		\$0
124 Accounts Receivable - Other Government	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0		\$0
126 Accounts Receivable - Tenants	\$480	\$480		\$480
126.1 Allowance for Doubtful Accounts - Tenants	(\$72)	(\$72)		(\$72)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0		\$0
128 Fraud Recovery	\$0	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0		\$0
129 Accrued Interest Receivable	\$639	\$639		\$639
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,047	\$1,047		\$1,047
131 Investments - Unrestricted	\$100,000	\$100,000		\$100,000
132 Investments - Restricted	\$0	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$12,333	\$12,333		\$12,333
143 Inventories	\$0	\$0		\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0		\$0
144 Inter Program Due From	\$0	\$0		\$0
145 Assets Held for Sale	\$0	\$0		\$0
150 Total Current Assets	\$169,299	\$169,299		\$169,299
161 Land	\$54,381	\$54,381		\$54,381
162 Buildings	\$1,334,762	\$1,334,762		\$1,334,762
163 Furniture, Equipment & Machinery - Drawings	\$0	\$0		\$0
164 Furniture, Equipment & Machinery - Administration	\$64,070	\$64,070		\$64,070
165 Leasehold Improvements	\$400,966	\$400,966		\$400,966
166 Accumulated Depreciation	(\$984,422)	(\$984,422)		(\$984,422)
167 Construction in Progress	\$4,737	\$4,737		\$4,737
168 Infrastructure	\$0	\$0		\$0
180 Total Capital Assets, Net of Accumulated Depreciation	\$874,494	\$874,494		\$874,494
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	\$0	\$0		\$0
173 Grants Receivable - Non-Current	\$0	\$0		\$0
174 Other Assets	\$0	\$0		\$0
176 Investments in Joint Ventures	\$0	\$0		\$0
180 Total Non-Current Assets	\$874,494	\$874,494		\$874,494
190 Total Assets	\$1,043,793	\$1,043,793		\$1,043,793

DEFUNIAK SPRINGS HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2014

200	Deferred Outflow of Resources	\$0	\$0	\$0
290	Total Assets and Deferred Outflow of Resources	\$1,043,793	\$1,043,793	\$1,043,793
311	Bank Overdraft	\$0	\$0	\$0
312	Accounts Payable <= 90 Days	\$1,569	\$1,569	\$1,569
313	Accounts Payable >90 Days Past Due	\$0	\$0	\$0
321	Accrued Wage/Payroll Taxes Payable	\$5,608	\$5,608	\$5,608
322	Accrued Compensated Absences - Current Portion	\$5,976	\$5,976	\$5,976
324	Accrued Contingency Liability	\$0	\$0	\$0
325	Accrued Interest Payable	\$0	\$0	\$0
331	Accounts Payable - HUD/FHA Programs	\$0	\$0	\$0
332	Account Payable - FHA Projects	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$10,656	\$10,656	\$10,656
341	Tenant Security Deposits	\$9,950	\$9,950	\$9,950
342	Unearned Revenue	\$45	\$45	\$45
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0
344	Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$1,783	\$1,783	\$1,783
347	Inter Program - Due To	\$0	\$0	\$0
348	Loan Liability - Current	\$0	\$0	\$0
310	Total Current Liabilities	\$35,587	\$35,587	\$35,587
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0
353	Non-current Liabilities - Other	\$42,606	\$42,606	\$42,606
354	Accrued Compensated Absences - Non Current	\$5,560	\$5,560	\$5,560
355	Loan Liability - Non Current	\$0	\$0	\$0
356	FASB 5 Liabilities	\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0
350	Total Non-Current Liabilities	\$48,166	\$48,166	\$48,166
300	Total Liabilities	\$83,753	\$83,753	\$83,753
400	Deferred Inflow of Resources	\$0	\$0	\$0
508.4	Net Investment In Capital Assets	\$874,494	\$874,494	\$874,494
511.4	Restricted Net Position	\$0	\$0	\$0
512.4	Unrestricted Net Position	\$85,546	\$85,546	\$85,546
513	Total Equity - Net Assets / Position	\$960,040	\$960,040	\$960,040
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	\$1,043,793	\$1,043,793	\$1,043,793

DEFUNIAK SPRINGS HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULE - INCOME STATEMENT
 FOR YEAR ENDED JUNE 30, 2014

	Project Total	Subtotal	ELM	Total
70300 Net Tenant Rental Revenue	\$122,462	\$122,462		\$122,462
70400 Tenant Revenue - Other	\$3,904	\$3,904		\$3,904
70500 Total Tenant Revenue	\$126,366	\$126,366	\$0	\$126,366
70600 HUD PHA Operating Grants	\$114,338	\$114,338		\$114,338
70610 Capital Grants	\$4,737	\$4,737		\$4,737
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$933	\$933		\$933
71200 Mortgage Interest Income	\$0	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$0		\$0
71500 Other Revenue	\$542	\$542		\$542
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0		\$0
72000 Investment Income - Restricted	\$0	\$0		\$0
70000 Total Revenue	\$246,916	\$246,916	\$0	\$246,916
91100 Administrative Salaries	\$77,244	\$77,244		\$77,244
91200 Auditing Fees	\$4,500	\$4,500		\$4,500
91300 Management Fee	\$0	\$0		\$0
91310 Book-keeping Fee	\$0	\$0		\$0
91400 Advertising and Marketing	\$0	\$0		\$0
91500 Employee Benefit contributions - Administrative	\$40,416	\$40,416		\$40,416
91600 Office Expenses	\$14,896	\$14,896		\$14,896
91700 Legal Expense	\$48	\$48		\$48
91800 Travel	\$9,257	\$9,257		\$9,257
91810 Allocated Overhead	\$0	\$0		\$0
91900 Other	\$0	\$0		\$0
91000 Total Operating - Administrative	\$146,361	\$146,361	\$0	\$146,361
92000 Asset Management Fee	\$0	\$0		\$0
92100 Tenant Services - Salaries	\$0	\$0		\$0
92200 Relocation Costs	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0		\$0
92400 Tenant Services - Other	\$0	\$0		\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water	\$7,893	\$7,893		\$7,893
93200 Electricity	\$2,575	\$2,575		\$2,575
93300 Gas	\$0	\$0		\$0
93400 Fuel	\$0	\$0		\$0
93500 Labor	\$0	\$0		\$0

DEFUNIAK SPRINGS HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 FOR YEAR ENDED JUNE 30, 2014

93600 Sewer	\$0	\$0		\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0		\$0
93800 Other Utilities Expense	\$9,227	\$9,227		\$9,227
93000 Total Utilities	\$19,695	\$19,695	\$0	\$19,695
94100 Ordinary Maintenance and Operations - Labor	\$30,802	\$30,802		\$30,802
94200 Ordinary Maintenance and Operations - Materials and Other	\$6,999	\$6,999		\$6,999
94300 Ordinary Maintenance and Operations Contracts	\$10,212	\$10,212		\$10,212
94500 Employee Benefit Contributions - Ordinary Maintenance	\$17,695	\$17,695		\$17,695
94000 Total Maintenance	\$65,708	\$65,708	\$0	\$65,708
95100 Protective Services - Labor	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0	\$0		\$0
95300 Protective Services - Other	\$0	\$0		\$0
95300 Employee Benefit Contributions - Protective Services	\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$0	\$0		\$0
96120 Liability Insurance	\$0	\$0		\$0
96130 Workmen's Compensation	\$0	\$0		\$0
96140 All Other Insurance	\$17,452	\$17,452		\$17,452
96100 Total Insurance Premiums	\$17,452	\$17,452	\$0	\$17,452
96200 Other General Expenses	\$900	\$900		\$900
96210 Compensated Absences	\$97	\$97		\$97
96300 Payments in Lieu of Taxes	\$10,657	\$10,657		\$10,657
96400 Bad debt - Tenant Rents	\$175	\$175		\$175
96500 Bad debt - Mortgages	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0		\$0
96000 Total Other General Expenses	\$11,729	\$11,729	\$0	\$11,729
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$260,945	\$260,945	\$0	\$260,945
97000 Excess of Operating Revenue over Operating Expenses	(\$14,029)	(\$14,029)	\$0	(\$14,029)
97100 Extraordinary Maintenance	\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$0		\$0
97350 HAP Portability-In	\$0	\$0		\$0
97400 Depreciation Expense	\$64,957	\$64,957		\$64,957
97500 Fraud Losses	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense	\$0	\$0		\$0
90000 Total Expenses	\$325,902	\$325,902	\$0	\$325,902

DEFUNIAK SPRINGS HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 FOR YEAR ENDED JUNE 30, 2014

10010	Operating Transfer In	\$12,000	\$12,000	(\$12,000)	\$0
10020	Operating transfer Out	(\$12,000)	(\$12,000)	\$12,000	\$0
10030	Operating Transfers from/to Primary Government	\$0	\$0		\$0
10040	Operating Transfers from/to Component Unit	\$0	\$0		\$0
10050	Proceeds from Notes, Loans and Bonds				
10060	Proceeds from Property Sales				
10070	Extraordinary Items, Net Gain/Loss	\$0	\$0		\$0
10080	Special Items (Net Gain/Loss)	\$0	\$0		\$0
10091	Inter Project Excess Cash Transfer In	\$0	\$0		\$0
10092	Inter Project Excess Cash Transfer Out	\$0	\$0		\$0
10093	Transfers between Program and Project - In	\$0	\$0		\$0
10094	Transfers between Project and Program - Out	\$0	\$0		\$0
10100	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$78,986)	(\$78,986)	\$0	(\$78,986)
11020	Required Annual Debt Principal Payments	\$0	\$0		\$0
11030	Beginning Equity	\$1,039,026	\$1,039,026		\$1,039,026
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0		\$0
11050	Changes in Compensated Absence Balance				
11060	Changes in Contingent Liability Balance				
11070	Changes in Unrecognized Pension Transition Liability				
11080	Changes in Special Term/Severance Benefits Liability				
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100	Changes in Allowance for Doubtful Accounts - Other				
11170	Administrative Fee Equity	\$0	\$0		\$0
11180	Housing Assistance Payments Equity				
11190	Unit Months Available	600	600		600
11210	Number of Unit Months Leased	599	599		599
11270	Excess Cash	\$91,684	\$91,684		\$91,684
11610	Land Purchases	\$0	\$0		\$0
11620	Building Purchases	\$0	\$0		\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0	\$0		\$0
11640	Furniture & Equipment - Administrative Purchases	\$4,737	\$4,737		\$4,737
11650	Leasehold Improvements Purchases	\$0	\$0		\$0
11680	Infrastructure Purchases	\$0	\$0		\$0
13510	CFPP Debt Service Payments	\$0	\$0		\$0
13901	Replacement Housing Factor Funds	\$0	\$0		\$0