

**MONROE COUNTY HOUSING AUTHORITY**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION AND REPORTS**  
**YEAR ENDED DECEMBER 31, 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Monroe County Housing Authority  
Key West, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activity and discretely presented component unit of the Monroe County Housing Authority (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Authority, as of December 31, 2022, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary financial data schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary financial data schedules and the schedule of expenditures of federal awards 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 August 30, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
August 30, 2023

**MONROE COUNTY HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2022**

As management of Monroe County Housing Authority (the Authority), we offer the readers of the Authority's business-type activities financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements. While the Housing Authority's financial statements include a discretely presented component unit of the Housing Authority, the following overview focuses on the Primary Government and does not address all the effects the component unit has on the Housing Authority's operations. For additional information on the financial activities of the discretely presented component unit, the readers should refer to the component units' separately issued financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Monroe County Housing Authority, 1400 Kennedy Drive, Key West, Florida 33040.

**Financial Highlights – Primary Government**

- The assets of the Authority exceeded its liabilities as of December 31, 2022 by \$17,688,222 (Net Position).
- The Authority's total operating revenue was \$7,609,704 which consisted of net tenant revenue of \$4,342,932, United States Department Housing and Urban Development (HUD) grants in the amount of \$2,987,756, other operating grants of \$5,552, and other revenue of \$273,464.

**Overview of Financial Statements**

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

- **Statement of Net Position** – reports the Authority's assets and liabilities at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- **Statement of Revenue, Expenses, and Changes in Net Position** – reports the results of activity over the course of the year. It details the costs associated with operating the Authority and how those costs were funded. It also provides an explanation of the change in net position from the previous year-end to the current fiscal year-end.
- **Statement of Cash Flows** – reports the Authority's cash flows in and out from operating activities, capital and related financing activities and investing activities. It details the sources of the Authority's cash, what it was used for, and the change in cash over the course of the fiscal year.
- The financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

The attached analysis of net position, revenue, and expenses is detailed and provides a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting. Our analysis of the Authority as a whole begins on the next page.

**MONROE COUNTY HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2022**

**Overview of Financial Statements (Continued)**

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.

Our analysis presents the Authority's net position, which can be thought of as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the Authority.

Over time, significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other nonfinancial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

In 2008, Monroe County Housing Authority made the HUD-mandated transition to Project Based Asset Management. This transition involved two significant changes:

- (1) Public Housing is now managed similarly to privately-owned housing development, including the payment of management and bookkeeping fees to the Housing Authority to pay overhead expenses.
- (2) The establishment of a Central Office Cost Center, which is the recipient of the aforementioned management and bookkeeping fees, to be the management center of the Housing Authority.

As of December 31, 2022, the primary government's total assets were \$25,897,859; total current assets were \$11,709,154 including restricted assets of \$6,775,261 of which \$105,926 restricted for tenant security deposits and \$6,669,335 is restricted for other reserve requirements. Net capital assets were \$14,186,705.

In addition, total liabilities of the primary government were \$8,209,637; current liabilities were \$2,133,423; liabilities payable from restricted assets were \$105,926; and total long-term (noncurrent) liabilities were \$5,970,288 at December 31, 2022.

Net Position – the difference between an organization's assets and its liabilities equals its net position. There are three categories in which to classify net position and they are the following:

**Net Investment in Capital Assets** – capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets;

**Restricted** – net position for which use is subject to constraints imposed by law or an agreement.

**Unrestricted** – net position that is not invested in capital assets or subject to restrictions.

**MONROE COUNTY HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2022**

**Condensed Financial Information – Primary Government**

**Assets, Liabilities, and Net Position**

	December 31,			
	2022	2021	\$ Change	% Change
	Total Authority	Total Authority	Total Authority	Total Authority
<b>ASSETS</b>				
Current Assets - Unrestricted	\$ 4,933,893	\$ 3,953,894	\$ 979,999	24.79%
Restricted Assets - Current	6,775,261	6,722,096	53,165	0.79%
Net Capital Assets	14,186,705	13,866,890	319,815	2.31%
Other Assets	2,000	2,000	-	100.00%
Total Assets	<u>\$ 25,897,859</u>	<u>\$ 24,544,880</u>	<u>\$ 1,352,979</u>	5.51%
<b>LIABILITIES</b>				
Current Liabilities	\$ 2,133,423	\$ 2,113,828	\$ 19,595	0.93%
Current Liabilities Payable from Restricted Assets	105,926	104,591	1,335	1.28%
Noncurrent Liabilities	<u>5,970,288</u>	<u>6,046,410</u>	<u>(76,122)</u>	-1.26%
Total Liabilities	8,209,637	8,264,829	(55,192)	-0.67%
<b>NET POSITION</b>				
Net Investment in Capital Assets	8,331,113	7,762,271	568,842	7.33%
Restricted	6,669,335	6,617,505	51,830	0.78%
Unrestricted	<u>2,687,774</u>	<u>1,900,275</u>	<u>787,499</u>	41.44%
Total Net Position	<u>17,688,222</u>	<u>16,280,051</u>	<u>1,408,171</u>	8.65%
Total Liabilities and Net Position	<u>\$ 25,897,859</u>	<u>\$ 24,544,880</u>	<u>\$ 1,352,979</u>	5.51%

Current assets increased by \$979,999 from the prior year. This increase was caused by the increase in cash used for operations.

Current restricted assets increase by \$53,165. This increase was caused by an increase in cash restricted for sinking fund and Replacement reserves. These additions were offset by a decrease in cash reserved for repairs.

Net capital assets increased by \$319,815 due to additions of \$957,138, which was mostly additions to construction in progress of \$846,410. These additions were offset current year depreciation of \$637,323.

Current liabilities and current liabilities payable from restricted assets increased by \$20,930. Noncurrent liabilities decreased by \$76,122 primarily due to repayments of long-term debt.

There was an increase in net position of \$1,408,171. This change consisted of: (a) net investment in capital assets increased by \$568,842 primarily due to increases to construction in progress offset by depreciation expense. In addition, repayment of debt increased the net investment in capital assets. (b) the restricted net position increased by \$51,830, due to a increase in the cash held by MHA for projects, and (c) unrestricted portions of net position increased by 787,499.

**MONROE COUNTY HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2022**

**Condensed Financial Information – Primary Government (Continued)**

**Revenue, Expenses, and Changes in Net Position – Primary Government**

	December 31,			
	2022	2021	\$ Change	% Change
	Total Authority	Total Authority	Total Authority	Total Authority
<b>OPERATING REVENUE</b>				
Net Tenant Rental Revenue	\$ 4,342,932	\$ 4,128,168	\$ 214,764	5.20%
Operating Grants and Subsidies - HUD	2,987,756	3,154,459	(166,703)	-5.28%
Other Operating Grants	5,552	2,519	3,033	120.40%
Other Revenue	273,464	276,238	(2,774)	-1.00%
Total Operating Revenue	7,609,704	7,561,384	48,320	0.64%
<b>OPERATING EXPENSES</b>				
Administrative	858,525	781,546	76,979	9.85%
Tenant Services	107,026	102,267	4,759	4.65%
Utilities	92,207	98,429	(6,222)	-6.32%
Ordinary Maintenance and Operations	909,104	830,623	78,481	9.45%
Insurance	491,899	420,790	71,109	16.90%
General Expenses	483,247	462,684	20,563	4.44%
Housing Assistance Payments	2,568,037	2,702,182	(134,145)	-4.96%
Extraordinary Maintenance	164,078	52,422	111,656	100.00%
Depreciation Expense	637,323	622,416	14,907	2.40%
Total Operating Expenses	6,311,446	6,073,359	238,087	3.92%
<b>OPERATING INCOME</b>	1,298,258	1,488,025	(189,767)	-12.75%
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Investment Income - Unrestricted	31,729	2,923	28,806	985.49%
Investment Income - Restricted	131,650	11,298	120,352	1065.25%
Purchase of Minority Equity Interest	-	(100,000)	100,000	-100.00%
Gain or Loss on Sale of Capital Assets	-	1,875	(1,875)	100.00%
Interest Expense	(53,466)	(61,072)	7,606	-12.45%
Total Nonoperating Revenue (Expenses)	109,913	(144,976)	254,889	-175.81%
<b>CHANGE IN NET POSITION</b>	1,408,171	1,343,049	65,122	4.85%
Net Position - Beginning of Year	16,280,051	14,937,002	1,343,049	8.99%
<b>NET POSITION - END OF YEAR</b>	<u>\$ 17,688,222</u>	<u>\$ 16,280,051</u>	<u>\$ 1,408,171</u>	8.65%

**MONROE COUNTY HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2022**

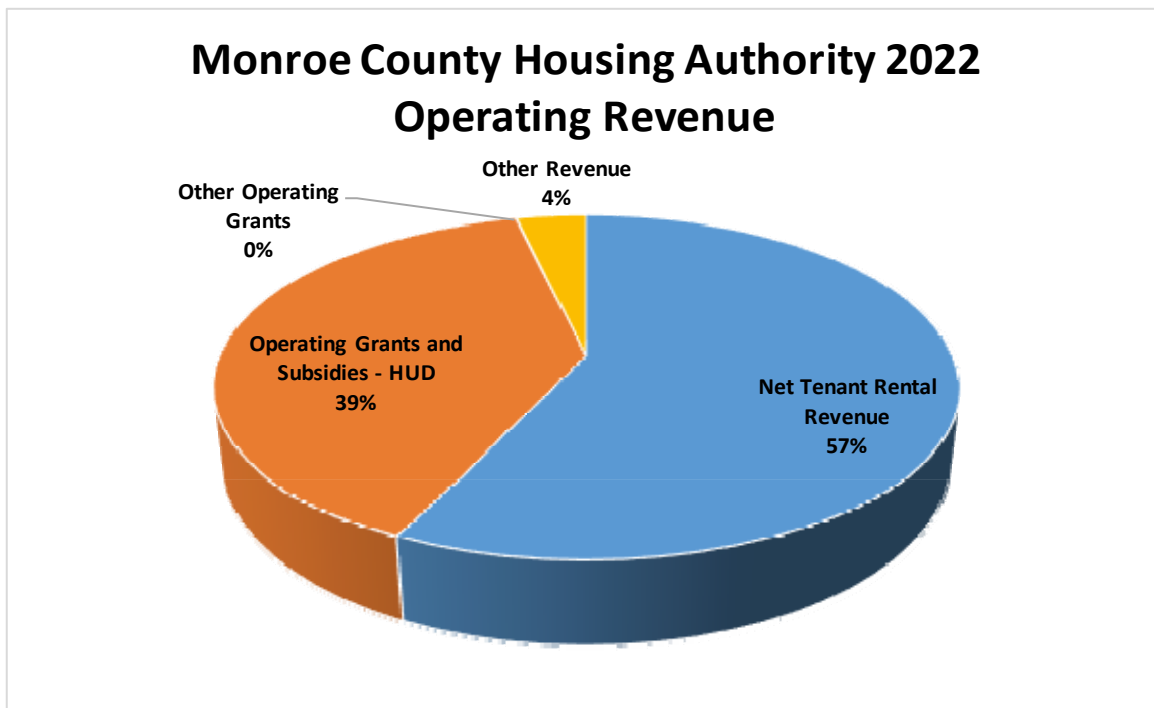
**Condensed Financial Information – Primary Government (Continued)**

**Revenue, Expenses, and Changes in Net Position - Primary Government (Continued)**

For the year ended December 31, 2022, overall operating revenue increased by \$48,320. This increase was caused by an increase in Net Tenant Rental Revenue of \$214,764. This increase was offset by an decrease of \$166,703 in HUD Operating Grants, due to the decreased use of CARES funds from the previous year. Spending for CARES funds ended in 2022.

The total operating expenses increased by \$238,087. This is primarily due to an increase in maintenance, insurance, administrative, and depreciation expenses of \$353,132. This increase was offset by decreases in housing assistance payments of \$134,145.

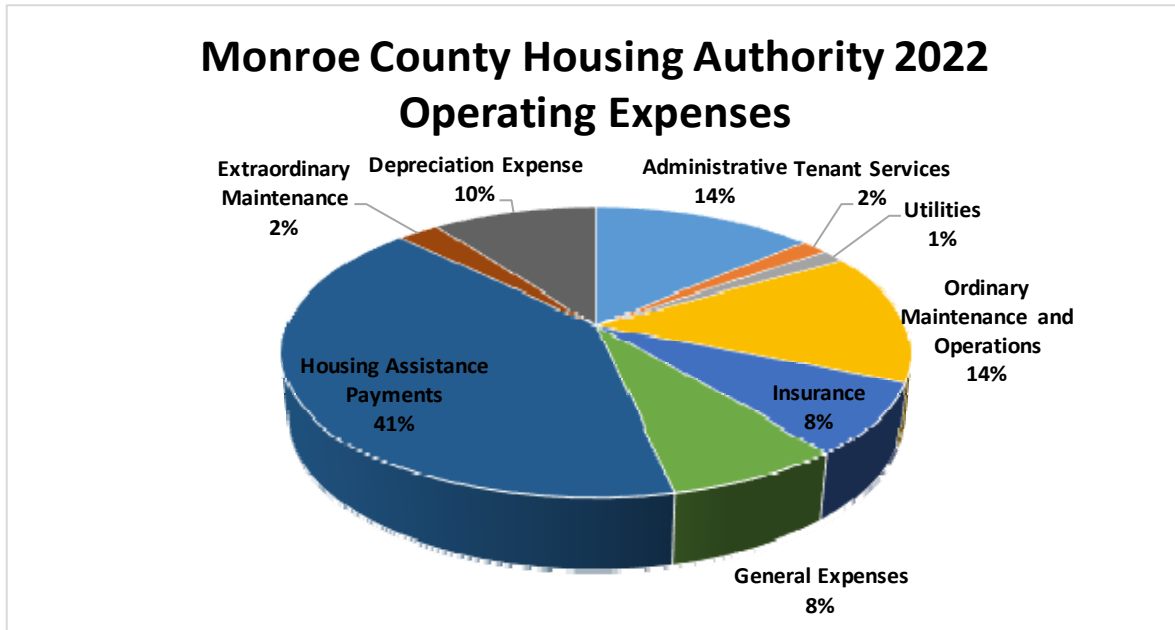
For the year ended December 31, 2022, total operating revenue was \$7,609,704, while total operating expenses were \$6,311,446. This resulted in a \$1,298,258 operating income. Total nonoperating revenues were \$163,379 and total nonoperating expenses were \$53,466.



**MONROE COUNTY HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2022**

**Condensed Financial Information – Primary Government (Continued)**

**Revenue, Expenses, and Changes in Net Position for the Primary Government (Continued)**



**Program/Activity Accounting**

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

The Authority's programs/activities include:

- Public and Indian Housing (ALN 14.850).
- Section 8 Housing Choice Vouchers (ALN 14.871).
- Public Housing Capital Fund (ALN 14.872).
- Home Investments Partnerships Program (ALN 14.239).
- Other Business Activities.
- Monroe County Housing Corporation (Discretely Presented Component Unit).
- Marathon Housing Associates, Ltd. (Blended Component Unit).

**Economic Factors**

Significant economic factors affecting the Authority are as follows:

- Federal funding from the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, reversionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies, and other costs.
- Hurricane related damages and hurricane impact upon the rental market.

**MONROE COUNTY HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	<u>Primary Government</u>	<u>Component Unit Monroe County Housing Corporation, Inc.</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	\$ 4,367,686	\$ 363,769
Cash - Restricted for Tenant Security Deposits	105,926	-
Cash - Restricted (Other)	6,669,335	-
Accounts Receivables, Net	57,972	3,549
Prepaid Items	508,235	484
Total Current Assets	<u>11,709,154</u>	<u>367,802</u>
<b>NONCURRENT ASSETS</b>		
Capital Assets:		
Capital Assets Not Being Depreciated	1,571,997	318,122
Capital Assets Being Depreciated, Net	12,614,708	-
Net Capital Assets	<u>14,186,705</u>	<u>318,122</u>
Other Assets:		
Other Assets	2,000	-
Investment in Joint Venture	-	519,230
Total Other Assets	<u>2,000</u>	<u>519,230</u>
Total Noncurrent Assets	<u>14,188,705</u>	<u>837,352</u>
Total Assets	<u>\$ 25,897,859</u>	<u>\$ 1,205,154</u>

See accompanying Notes to Financial Statements.

**MONROE COUNTY HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**DECEMBER 31, 2022**

	Primary Government	<u>Component Unit</u> Monroe County Housing Corporation, Inc.
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ -	\$ 3,000
Line of Credit	498,500	-
Accrued Liabilities	15,606	-
Accrued Interest	9,377	-
Accrued Compensated Absences, Current Portion	3,379	-
Accounts Payable - HUD PHA Programs	2,519	-
Accounts Payable - Other Government	1,461,789	-
Current Portion of Long-Term Debt (Operating)	38,977	-
Current Portion of Long-Term Debt (Capital Project)	72,979	-
Unearned Revenue	10,923	-
Other Current Liabilities	19,374	-
Total Current Liabilities	<u>2,133,423</u>	<u>3,000</u>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Tenant Security Deposits	105,926	-
<b>NONCURRENT LIABILITIES</b>		
Long-Term Debt, Net of Current Portion (Capital Projects)	5,776,657	-
Long-Term Debt, Net of Current Portion (Operating)	163,221	-
Accrued Compensated Absences, Net of Current Portion	30,410	-
Total Noncurrent Liabilities	<u>5,970,288</u>	<u>-</u>
Total Liabilities	8,209,637	3,000
<b>NET POSITION</b>		
Net Investment in Capital Assets	8,331,113	318,122
Restricted	6,669,335	-
Unrestricted	2,687,774	884,032
Total Net Position	<u>17,688,222</u>	<u>1,202,154</u>
Total Liabilities and Net Position	<u>\$ 25,897,859</u>	<u>\$ 1,205,154</u>

See accompanying Notes to Financial Statements.

**MONROE COUNTY HOUSING AUTHORITY**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2022**

	Primary Government	<u>Component Unit</u> Monroe County Housing Corporation, Inc.
<b>OPERATING REVENUES</b>		
Net Tenant Revenue	\$ 4,342,932	\$ -
Operating Grants and Subsidies - HUD	2,987,756	-
Other Government Grants	5,552	-
Other Revenue	273,464	41,779
Total Operating Revenues	<u>7,609,704</u>	<u>41,779</u>
<b>OPERATING EXPENSES</b>		
Administrative	858,525	2,301
Tenant Services	107,026	-
Utilities	92,207	-
Maintenance and Operations	909,104	-
Insurance	491,899	2,968
General Expenses	483,247	59,075
Housing Assistance Payments	2,568,037	-
Extraordinary Maintenance	164,078	-
Depreciation Expense	637,323	-
Total Operating Expenses	<u>6,311,446</u>	<u>64,344</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	1,298,258	(22,565)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment in Joint Venture Income	-	136,912
Investment Income - Unrestricted	31,729	5,415
Investment Income - Restricted	131,650	-
Interest Expense	(53,466)	-
Total Nonoperating Revenues (Expenses)	<u>109,913</u>	<u>142,327</u>
<b>CHANGE IN NET POSITION</b>	1,408,171	119,762
Net Position - Beginning of Year	<u>16,280,051</u>	<u>1,082,392</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 17,688,222</u></u>	<u><u>\$ 1,202,154</u></u>

See accompanying Notes to Financial Statements.

**MONROE COUNTY HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2022**

	Primary Government	<u>Component Unit</u> Monroe County Housing Corporation, Inc.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts:		
Dwelling Rent Receipts	\$ 4,430,189	\$ -
HUD Operating Subsidy and Grant Receipts	2,935,537	-
Other Governmental Subsidy and Grant Receipts	5,865	-
Other Income Receipts	273,464	41,833
Total Receipts	<u>7,645,055</u>	<u>41,833</u>
Disbursements:		
Payments to and Benefits for Employees	1,331,708	-
Payments to Suppliers	1,830,409	61,554
Payments to Landlords	2,568,037	-
Total Disbursements	<u>5,730,154</u>	<u>61,554</u>
Net Cash Provided (Used) by Operating Activities	<u>1,914,901</u>	<u>(19,721)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Repayment of Debt Principal	(58,755)	-
Interest Paid on Capital Debt	(44,090)	-
Purchase of Capital Assets	(957,138)	-
Net Cash Used by Capital and Related Financing Activities	<u>(1,059,983)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	163,379	5,415
Net Cash Provided by Investing Activities	<u>163,379</u>	<u>5,415</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	1,018,297	(14,306)
Cash - Beginning of Year	<u>10,124,650</u>	<u>378,075</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 11,142,947</u></u>	<u><u>\$ 363,769</u></u>
<b>REPORTED AS</b>		
Cash - Unrestricted	\$ 4,367,686	\$ 363,769
Cash - Restricted for Tenant Security Deposits	105,926	-
Cash - Restricted (Other)	6,669,335	-
Total Cash - End of Year	<u><u>\$ 11,142,947</u></u>	<u><u>\$ 363,769</u></u>

See accompanying Notes to Financial Statements.

**MONROE COUNTY HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Primary Government	<u>Component Unit</u> Monroe County Housing Corporation, Inc.
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Income (Loss) from Operations	\$ 1,298,258	\$ (22,565)
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	637,323	-
(Increase) Decrease in Assets:		
Accounts Receivable - Tenants	8,676	-
Accounts Receivable - Other Government	313	54
Prepaid Expenses and Other Current Assets	(23,850)	65
Increase (Decrease) in Liabilities:		
Accounts Payable	-	2,725
Accounts Payable - Other Government	149,009	-
Accrued Wages/Payroll Taxes Payable	3,252	-
Accrued Compensated Absences	14,471	-
Unearned Revenue	2,969	-
Other Current Liabilities	(176,854)	-
Tenant Security Deposits	1,334	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,914,901</u>	<u>\$ (19,721)</u>

See accompanying Notes to Financial Statements.

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Monroe County Housing Authority (the Authority) is a public body corporate and politic organized under Chapter 421 of the Florida State Statutes to provide low-rent housing for qualified individuals in accordance with laws, rules, and regulations prescribed by the United States Department of Housing and Urban Development (HUD). The primary purpose of the Authority is to provide decent, safe, sanitary, and affordable housing to low-income, elderly, and disabled families within Monroe County, Florida.

Where HUD subsidizes housing, total rent is determined by the Authority within guidelines established by HUD. The tenants' portion of the rent and the housing assistance provided by HUD are also determined using HUD's guidelines.

The rent to be charged to tenants residing in the Authority's affordable housing complexes is established by management. All of the affordable housing complexes were acquired with funding provided by other entities. Each of these entities placed certain restrictions on the rental of the units. These restrictions involve specifying percentages of the units available that can only be rented to individuals that meet certain low-income criteria.

**Reporting Entity**

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

The Authority is a related organization of the state of Florida since the members of its Board of Commissioners are appointed by the governor. The state of Florida is not financially accountable for the Authority as it cannot impose its will on the Authority and there is no potential for the Authority to provide financial benefit to or impose financial burdens on the state of Florida. Accordingly, the Authority is not a component unit of the state of Florida.

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

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

Based on the application of these criteria, the Authority has two component units which are described below:

**Marathon Housing Associates, LTD.**

Marathon Housing Associates, LTD. (MHA) is a limited partnership duly formed in the state of Florida, for the purpose of operating a rental housing project under Section 8 of the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974. The project consists of 130 units located on Marathon Island, Florida. The Authority and MCHC are the managing general partner and fiscal general partner, respectively. The general partners constitute the governing board of the partnership and have complete control over the operations of the partnership. However, the limited partners can remove the general partners from those roles.

During fiscal year 2019, the Authority obtained a majority ownership in the partnership, therefore MHA is now considered a blended component unit of the Authority.

**Monroe County Housing Corporation, Inc.**

Monroe County Housing Corporation, Inc. (MCHC) is a corporation nonprofit organized under Chapter 617 of the Florida Statutes. MCHC was established by the Authority as an agency or instrumentality of the Authority. MCHC was formed to promote, advance, and engage in the development and/or operation of housing projects and related facilities for persons of low income in the area of operation of the Authority. All such activities are subject to approval of and use by the Authority. MCHC is fiscally dependent on the Authority and is, therefore, considered to be a discretely presented component unit of the Authority.

Complete financial statements can be obtained from MCHC's administrative office located at 1400 Kennedy Drive, Key West, Florida, 33040.

**Related Organizations**

The Authority is related to the following organizations:

**The Housing Authority of the City of Key West, Florida**

The Authority has contracts with The Housing Authority of the City of Key West, Florida (KWA) whereby KWA provides management services and has managerial control of the Authority's assets and operations. KWA maintains all of the accounting records for the Authority and has been granted the authority to execute all transactions, including the check signing authority. However, all of these actions are taken at the direction of the Board of Commissioners of the Authority. Therefore, KWA is considered to be a related organization.

Expenses incurred on behalf of the Authority are paid directly to the vendors using the Authority's funds. Administrative expenses and other costs that are allocable to the Authority are reimbursed to KWA and reflected in the accompanying financial statements as expenses by natural classification.

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Related Organizations (Continued)**

The Housing Authority of the City of Key West, Florida (Continued)

KWHA is not considered to be a component unit of the Authority because it has an independent governing board; the Authority is not financially accountable for their activities as it cannot impose its will on KWHA and there is no potential for KWHA to provide financial benefit to or impose financial burdens on the Authority.

**Basis of Presentation and Accounting**

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

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

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

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

**Program/Activity Accounting**

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

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

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

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Program/Activity Accounting (Continued)**

These programs/activities are as follows:

Public and Indian Housing (ALN 14.850)

Public and Indian Housing provides accountability for the operations of housing complexes owned by the Authority that are subsidized by HUD under Annual Contributions Contract.

Public Housing Capital Fund (ALN 14.872)

The Capital Fund Program accounts for the activities of the Authority's capital improvement program. The Authority has received several grants from HUD to make improvements to its public housing complexes and to fund certain management improvements.

HOME Investments Partnerships Program (ALN 14.239)

The HOME Investments Partnership Program provides accountability for the operations of an affordable housing complex in Marathon, Florida that was constructed, in part, by the proceeds of a loan that was funded through a grant from HUD under the HOME Investments Partnerships Program.

Community Development Block Grants Disaster Recovery Grants (ALN 14.269)

Community Development Block Grant program fund are for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting after a major disaster declaration.

Section 8 Housing Choice Vouchers (ALN 14.871)

The Section 8 Housing Choice Vouchers program accounts for the activity associated with the projects and other facilities that are not owned by the Authority but are subsidized by HUD under an Annual Contributions Contract.

Other Business Activities

These activities account for the operations of the various affordable housing complexes operated by the Authority and the other resources received by the Authority that are not restricted by outside sources as to expenditure for the benefit of specific projects or purposes. The Authority also administers the Community Development Block Grant and the State Housing Initiative Program on behalf of Monroe County, Florida.

Central Office Cost Center

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

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

Budgets are prepared on an annual basis for each program/activity and are used as a management tool throughout the accounting cycle. The budgets for the Capital Fund Program and certain other multi-year grant programs are adopted on a "project length" basis. Budgets are not, however, legally adopted nor legally required for financial statement presentation.

**Cash and Cash Equivalents**

The Authority considers all highly liquid instruments, including certificates of deposit and short-term investments with an original maturity of three months or less to be cash equivalents. At December 31, 2022, the Authority did not have any cash equivalents.

**Restricted Assets**

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

**Restricted Cash**

Restricted cash consists of bank accounts that have been established in order to ensure the availability of funds to repay tenant security deposits, housing assistance payments, and accounts established for certain escrow purposes in connection with certain debt issues.

**Capital Assets**

All purchased capital assets are valued at cost when historical records are available. When no historical records are available, capital assets are valued at estimated historical cost. Routine repairs and maintenance are charged against operations. Betterments in excess of \$1,500 are capitalized. Certain major repairs (i.e., painting, roofing, and plumbing) are also charged against operations in accordance with HUD policies and procedures. Donated assets are recorded at acquisition value as of the date of donation.

Depreciation is calculated using the straight-line method over the useful life of the related asset. The useful lives range from 15 to 40 years for buildings, building improvements, and infrastructure, and from 5 to 10 years for equipment. When assets are disposed of, the related cost and accumulated depreciation are relieved, and any gain or loss is included in nonoperating expenses.

**Other Assets**

On February 5, 1990, MCHC purchased MHA's Fiscal General Partner's interest and will continue MHA's operations in conjunction with the Authority, Operating General Partner. This investment in joint venture is accounted for using the equity method of accounting.

Complete financial statements can be obtained from the Authority's and MCHC's administrative office located at 1400 Kennedy Drive, Key West, Florida 33040.

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Assets (Continued)**

As of December 31, 2022, MCHC's ending capital account was \$519,230. The investment in joint venture fluctuates based on partner income or loss allocation from the partnership. The investment in joint venture change for the year ended December 31, 2022 was \$136,912 for MCHC.

**Compensated Absences**

The Authority only has one employee, its executive director. All nonexecutive director related services are performed by employees of KWHHA and the Authority reimburses KWHHA for such costs as incurred.

KWHHA's policy allows employees to accumulate unused vacation leave up to a maximum of 288 hours and unused sick leave up to a maximum of 1,040 hours. Upon termination, for other than cause or resignation without proper notice, employees are paid for unused accumulated vacation. Unused accumulated sick leave is paid to the employee up to 348 unused sick leave and 288 unused vacation leave upon termination in good standing as follows:

Six to Nine Years of Service	25%
Ten Years of Service	50%
Twenty Years of Service	100%

Unused time is accrued and is only payable as discussed above.

**Unearned Revenue**

Unearned revenue represents tenant rents or grant money received in advance.

**Operating and Nonoperating Revenues and Expenses**

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

**Government Operating Grants and Subsidies**

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

Pursuant to the Annual Contributions Contract with HUD, the Authority receives an operating subsidy for its operation of public housing.

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government Operating Grants and Subsidies (Continued)**

The Section 8 Housing Choice Vouchers Program Annual Contributions Contract with HUD provides for housing assistance payments to private owners of residential units on behalf of eligible low-income or very low-income families. The program provides for such payments covering the difference between the maximum rental on a dwelling unit and the amount of rent contribution by the participating family plus related administrative expenses.

**Net Position**

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

*Net Investment in Capital Assets* – This component consists of capital assets net of accumulated depreciation and related debt financing.

*Restricted Net Position* – Net position with constraints placed on the use either by 1) external groups such as creditors, grantors, or laws and regulation of other governments; or 2) law through constitutional provisions or enabling legislation are reflected in this component.

*Unrestricted Net Position* – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

The Authority applies restricted resources first when an expense or expenditure is incurred for the purpose for which both restricted and unrestricted net positions are available.

**Use of Estimates**

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

**Income Taxes**

The Authority is a public body corporate and politic exempt from federal and state income taxes.

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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; and other general liability issues. The Authority was unable to obtain general liability insurance at a cost it determined to be economically feasible. The Authority joined together with other housing authorities to form Florida Public Housing Authority Self Insurance Fund (FPHASIF), a public risk pool currently operating as a common risk management and insurance program. The Authority pays an annual premium to FPHASIF for its general insurance coverage. The agreement for formation of the FPHASIF provides that it will be self-sustaining through member premiums and will reinsure through commercial companies. The Authority continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**Leases**

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

**New Accounting Pronouncement**

During the year ended December 31, 2022, the Authority adopted Statement No. 87, Leases, which was effective for the Authority beginning in fiscal year 2022. This statement requires recognition of certain lease assets and lease liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Authority adopted the requirements of the guidance effective for fiscal year ending December 31, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND INVESTMENTS**

**Custodial Credit Risk**

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its securities that are in the possession of an outside party.

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Deposits**

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

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

As of December 31, 2022, the Authority's book balance of cash was \$10,268,275 and the bank balance was \$10,272,603.

As of December 31, 2022, the MCHC book balance of cash was \$363,769 and the bank balance of cash was \$363,769.

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

Cash Restricted – Other as of December 31, 2022, consisted of the following:

Cash - Restricted for Replacement Reserves	\$ 3,742,550
Cash - Restricted for Repairs	271,415
Cash - Restricted for Sinking Funds	2,655,370
Total Cash Restricted - Other	<u>\$ 6,669,335</u>

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable as of December 31, 2022 consisted of the following:

<u>Primary Government</u>	<u>Amount</u>
Tenant Accounts Receivables:	
Dwelling Rents	\$ 13,881
Accounts Receivable - Allowance	<u>(3,448)</u>
Total Tenant Accounts Receivables	10,433
Accounts Receivable - HUD Other Projects	374
Amounts Due from Other Governments	<u>47,165</u>
Total Receivables	<u><u>\$ 57,972</u></u>
<u>Component Unit</u>	
Amounts Due from Other Governments	<u><u>\$ 3,549</u></u>

**NOTE 4 CAPITAL ASSETS**

The changes in capital assets for the year ended December 31, 2022 for the primary government were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Primary Government</b>					
<b>Nondepreciable Capital</b>					
<b>Assets:</b>					
Land	\$ 752,271	\$ -	\$ -	\$ -	\$ 752,271
Construction in Progress	2,255,391	846,410	-	(2,282,075)	819,726
Total Nondepreciable Capital Assets	3,007,662	846,410	-	(2,282,075)	1,571,997
<b>Depreciable Capital Assets:</b>					
Buildings	22,812,703	9,800	-	2,274,575	25,097,078
Infrastructure	1,096,307	-	-	-	1,096,307
Administrative Equipment	767,305	100,928	-	7,500	875,733
Total Depreciable Capital Assets	24,676,315	110,728	-	2,282,075	27,069,118
<b>Accumulated Depreciation</b>					
Buildings	(12,834,643)	(527,863)	-	-	(13,362,506)
Infrastructure	(406,678)	(70,013)	-	-	(476,691)
Administrative Equipment	(575,766)	(39,447)	-	-	(615,213)
Less: Total Accumulated Depreciation	<u>(13,817,087)</u>	<u>(637,323)</u>	<u>-</u>	<u>-</u>	<u>(14,454,410)</u>
Total Capital Assets Being Depreciated, Net	10,859,228	(526,595)	-	2,282,075	12,614,708
<b>Capital Assets, Net</b>	<u><u>\$ 13,866,890</u></u>	<u><u>\$ 319,815</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,186,705</u></u>

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

The changes in capital assets for the year ended December 31, 2022 for the component unit were as follows:

<b>Component Unit</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Ending Balance</b>
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 318,122	\$ -	\$ -	\$ -	\$ 318,122
<b>Depreciable Capital Assets:</b>					
Furniture and Equipment	633	-	-	-	633
Less: Accumulated Depreciation	(633)	-	-	-	(633)
Total Capital Assets Being Depreciated, Net	-	-	-	-	-
<b>Capital Assets, Net</b>	<b>\$ 318,122</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 318,122</b>

**NOTE 5 CHANGES IN LONG-TERM LIABILITIES**

The Authority has several notes and bond issues outstanding as of December 31, 2022. These obligations represent fixed liabilities of the concerned projects. In addition, the Authority has a liability for compensated absences. Following is a summary of the changes in all such liabilities for the year ended December 31, 2022:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Direct Borrowings:					
Revenue Notes	\$ 483,404	\$ -	\$ (58,756)	\$ 424,648	\$ 57,497
Notes Payable	5,627,186	-	-	5,627,186	54,459
Compensated Absences	19,316	31,179	(16,706)	33,789	3,379
Total	<b>\$ 6,129,906</b>	<b>\$ 31,179</b>	<b>\$ (75,462)</b>	<b>\$ 6,085,623</b>	<b>\$ 115,335</b>

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6    NOTES AND BONDS PAYABLE**

**Tropical Isle Apartments**

Effective January 1, 2002, the Authority assumed control of the property known as Tropical Isle Apartments from Monroe County Housing Finance Authority. As part of the transaction, the Authority assumed control and title to all assets and assumed all liabilities.

**First Mortgage**

The debt assumed included a first mortgage in favor of Monroe County Comprehensive Plan Land Authority in the amount of \$59,025 which is nonamortizing and is noninterest bearing. The loan will mature on September 7, 2045. The balance as of December 31, 2022 is \$59,025.

**HOME Investment Partnerships Program Mortgage**

Liability for the second mortgage note issued to Florida Housing Finance Corporation in the principal amount of \$1,119,107 was also assumed. This note is co-terminus with the first mortgage note and it is also nonamortizing and noninterest bearing. This loan matures on August 28, 2047. The balance as of December 31, 2022 is \$1,119,107.

Both notes are collateralized by the land, project improvements, and property located on the land.

**Wastewater Connection Mortgage**

On December 1, 2010, the Authority entered into an agreement with the city of Marathon to connect to the city's wastewater system. It has financed the costs of connection with the city for \$108,712. An initial payment of \$10,000 was made on December 15, 2010. The balance is to be paid on annually for a period of 15 years beginning December 15, 2011. The balance as of December 31, 2022 is \$32,227.

**Stock Island Project**

**Revenue Notes**

On April 24, 2003, the Authority issued a Housing Revenue Note Series 2003 (Stock Island Project) in the principal amount of \$1,250,000 in order to finance the cost to complete the construction of certain affordable housing units on Stock Island.

The note bears an interest rate of 3.50% and is subjected to changes as noted in the loan agreement. The interest amounts below are estimated using the current rates in effect. The new note is being amortized over a 20-year period. The note is collateralized by the land, project improvements, and property located on the land. The balance as of December 31, 2022 is \$424,648.

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6    NOTES AND BONDS PAYABLE (CONTINUED)**

**Marathon Housing Associates, Ltd.**

Sewer Connection Note Payable

On December 1, 2010, the city of Marathon, Florida, and the general partner of the partnership finalized a wastewater connection agreement following notification from the city that the Partnership was required to connect its wastewater system to the city's system.

The cost to be paid to the city of Marathon totaled \$605,579 of which \$240,000 was paid in November 2010. The balance been financed with the city over 20 years with an annual payment of \$27,194. As of December 31, 2022, the total note payable was \$202,198.

Home Rehabilitation Loan Payable

In 1996, the Marathon Housing Associates, Ltd. was approved and subsequently received an interest-free loan in the amount of \$4,214,629 from the Florida Housing Finance (Agency) under Home Project No. 95HR-009. The entire amount of the loan is inter alia, secured by a second mortgage on the improvements of the project. The loan is interest free but carries a maximum default interest rate of 18% per annum. The full amount of the loan is due on March 20, 2046. As of December 31, 2022, the total note payable was \$4,214,629.

The loan calls for the funding of a replacement reserves fund of \$1,625 per month to fund capital repairs, replacements, and improvements. The Agency has the right to attach the escrow accounts in the event of a default under the loan documents.

Additional deposits have been made to the replacement reserves fund to pay for anticipated repairs. MHA deposited a total of \$19,500 in 2022. As of December 31, 2022 the reserve replacement fund balance was \$3,652,301.

The board of trustees also approved setting aside \$20,121 per month in a sinking fund for payment of the loan. As of December 31, 2022, the sinking fund balance was \$2,655,370.

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 NOTES AND BONDS PAYABLE (CONTINUED)**

As of December 31, 2022, annual debt service requirements to maturity are as follows:

Year Ending December 31,	Notes from Direct Borrowings and Direct Placements			
	Revenue Notes		Notes Payable	
	Principal	Interest	Principal	Interest
2023	\$ 57,497	\$ 17,640	\$ 54,459	\$ 9,377
2024	59,887	15,076	28,873	8,310
2025	62,565	12,398	30,029	7,199
2026	65,363	9,600	22,352	6,043
2027	68,286	6,677	23,246	4,843
2028-2032	111,051	4,275	75,466	10,065
2033-2037	-	-	-	-
2038-2042	-	-	4,214,629	-
2043-2047	-	-	59,025	-
2048-2052	-	-	1,119,107	-
Total	<u>\$ 424,648</u>	<u>\$ 65,668</u>	<u>\$ 5,627,186</u>	<u>\$ 45,837</u>

**NOTE 7 LINE OF CREDIT**

On March 1, 2013, the Authority obtained a line of credit for \$500,000, from First State Bank of the Florida Keys. The purpose of the line of credit is to purchase limited partnerships in order to bring the Eastwind complex back into the public domain. The line of credit matures on July 1, 2023 and bears interest at 5.5%. The outstanding balance as of December 31, 2022 is \$498,500. The unused balance on the line of credit is \$1,500.

	Beginning Balance	Additions	Reductions	Ending Balance
Line of Credit	\$ 498,500	-	-	498,500

**NOTE 8 RESTRICTED COMPONENT OF NET POSITION**

Restricted net position as of December 31, 2022 consists of the following:

HOME - Reserve for Replacement	\$ 90,249
Cash - Restricted for Replacement Reserves	3,652,301
Cash - Restricted for Repairs	271,415
Cash - Restricted for Sinking Funds	2,655,370
Total Restricted Net Position	<u>\$ 6,669,335</u>

**MONROE COUNTY HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 RELATED PARTY TRANSACTIONS**

The Authority is a related organization to The Housing Authority of the City of Key West, Florida; Monroe County Housing Corporation, Inc.; and Marathon Housing Associates, LTD. As of December 31, 2022, the Authority had the following balances:

**Monroe County Housing Authority**

Management Fees Paid by MCHA to KWA	\$ 244,881
Bookkeeping Fees Paid by MCHA to KWA	20,378
Due to KWA	897,310
Due from MHA	16,720

**Monroe County Housing Corporation, Inc.**

Management Fees Paid by KWA to MCHC	\$ 33,779
Management Fees Paid by MHA to MCHC	8,000
Due from KWA	3,549

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

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

Government grants and loans require the fulfillment of certain conditions as set forth in laws, rules, and regulations and grant and loan agreements. Failure to fulfill the conditions could result in the return of funds to grantors. The Authority's management believes that disallowances, if any, would be immaterial.

**Marathon Housing Associates, Ltd.**

**Ground Lease**

MHA acquired the fifteen buildings comprising the project, but not the land underlying the buildings, which is subject to a ground lease with triannual renewal options. The latest option was exercised which provides for an extension of the ground lease through January 31, 2024. Further renewal options are available through February 1, 2081. The rental of the ground lease is \$1 per year, provided that the project maintains its HAP contact.

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Marathon Housing Associates, Ltd. (Continued)**

**Housing Assistance Payment Contract**

Pursuant to an agreement with the U.S. Department of Housing and Urban Development, under the Housing Assistance Payment (HAP) Clause of the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, the Partnership was entitled to rental assistance for 30 years from the execution of the HAP contract in 1982. The contract was subsequently renewed. The current HAP contracts are being executed for 6-month periods; the most recent expiring in January 2023.

MHA cannot sell or otherwise substantially liquidate its assets during the period that the agreement with the U.S. Department of Housing and Urban Development is in existence, without their approval.

**NOTE 11 ECONOMIC DEPENDENCY**

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

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

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 11 ECONOMIC DEPENDENCY (CONTINUED)**

The table below shows the revenue allocation by activity for the year ended December 31, 2022.

	<u>Total Revenue</u>	<u>Percentage of Total Revenue</u>
<b>Revenue from HUD</b>		
Section 8 Housing Choice Voucher - HAP	\$ 2,527,845	32.52%
Section 8 Housing Choice Voucher - Administrative	251,552	3.24%
Public and Indian Housing	95,205	1.22%
Capital Fund Program	113,154	1.46%
Total HUD Funding	<u>2,987,756</u>	<u>38.44%</u>
<b>Non-HUD Funding</b>		
Tenant Rental Revenue, Net of Bad Debt	4,283,516	55.11%
Tenant Revenue Other	59,416	0.76%
Other Government Grants	5,552	0.07%
Investment Income (Unrestricted)	31,729	0.41%
Investment Income (Restricted)	131,650	1.69%
Gain on Sale of Capital of Assets	-	0.00%
Other Revenue	<u>273,464</u>	<u>3.52%</u>
Total Non-HUD Funding	<u>4,785,327</u>	<u>61.56%</u>
 Total Revenue	 <u><u>\$ 7,773,083</u></u>	 <u><u>100.00%</u></u>

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 12 CONDENSED BLENDED COMPONENT UNIT INFORMATION**

Condensed component unit information for the Authority's blended component units as listed in Note 1 is presented below.

**Condensed Statement of Net Position**

	<u>Primary Government</u>	<u>Marathon Housing Associates, Ltd.</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets	\$ 1,742,323	\$ 9,966,831	\$ 11,709,154
Capital Assets, Net	4,893,597	9,293,108	14,186,705
Noncurrent Assets	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Assets	<u>\$ 6,637,920</u>	<u>\$ 19,259,939</u>	<u>\$ 25,897,859</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Current Liabilities	\$ 1,774,413	\$ 464,936	\$ 2,239,349
Noncurrent Liabilities	1,570,238	4,400,050	5,970,288
Total Liabilities	<u>3,344,651</u>	<u>4,864,986</u>	<u>8,209,637</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,258,590	5,072,523	8,331,113
Restricted	90,249	6,579,086	6,669,335
Unrestricted	<u>(55,570)</u>	<u>2,743,344</u>	<u>2,687,774</u>
Total Net Position	<u>3,293,269</u>	<u>14,394,953</u>	<u>17,688,222</u>
Total Liabilities and Net Position	<u>\$ 6,637,920</u>	<u>\$ 19,259,939</u>	<u>\$ 25,897,859</u>

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 12 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)**

**Condensed Statement of Revenue, Expenses, and Changes in Net Position**

	<u>Primary Government</u>	<u>Marathon Housing Associates, Ltd.</u>	<u>Total</u>
<b>OPERATING REVENUE</b>	\$ 4,038,033	\$ 3,571,671	\$ 7,609,704
<b>OPERATING EXPENSES</b>	<u>4,183,942</u>	<u>2,127,504</u>	<u>6,311,446</u>
<b>INCOME(LOSS) FROM OPERATIONS</b>	(145,909)	1,444,167	1,298,258
<b>NONOPERATING REVENUE (EXPENSES)</b>	<u>109,913</u>	<u>-</u>	<u>109,913</u>
<b>CHANGE IN NET POSITION</b>	(35,996)	1,444,167	1,408,171
Net Position - Beginning of Year	<u>3,329,265</u>	<u>12,950,786</u>	<u>16,280,051</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 3,293,269</u></u>	<u><u>\$ 14,394,953</u></u>	<u><u>\$ 17,688,222</u></u>

**Condensed Statement of Cash Flow**

	<u>Primary Government</u>	<u>Marathon Housing Associates, Ltd.</u>	<u>Total</u>
<b>NET CASH PROVIDED (USED) BY</b>			
Operating Activities	\$ 372,158	\$ 1,542,743	\$ 1,914,901
Capital and Related Financing Activities	(1,059,983)	-	(1,059,983)
Noncapital Financing Activities	-	-	-
Investing Activities	<u>831,450</u>	<u>(668,071)</u>	<u>163,379</u>
<b>NET INCREASE IN CASH</b>	143,625	874,672	1,018,297
Cash - Beginning of Year	<u>1,440,799</u>	<u>8,683,851</u>	<u>10,124,650</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 1,584,424</u></u>	<u><u>\$ 9,558,523</u></u>	<u><u>\$ 11,142,947</u></u>

**NOTE 13 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 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 August 30, 2023 (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.

## **SUPPLEMENTARY INFORMATION**

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

Line Item No.	Account Description	Programs					Other Business Activities	Central Office Cost Center	Blended Component Unit	Eliminations	Primary Government	Discretely Presented Component Unit	Total
		Project Totals	HOME Investments Partnerships	Section 8 Housing Choice Voucher	Hazard Mitigation	Community Development Block Grant							
ASSETS													
CURRENT ASSETS													
Cash:													
111	Unrestricted	\$ 493,158	\$ 388,780	\$ 119,173	\$ 61,752	\$ -	\$ 354,916	\$ 40,465	\$ 2,909,442	\$ -	\$ 4,367,686	\$ 363,769	\$ 4,731,455
113	Other Restricted	-	90,249	-	-	-	-	-	6,579,086	-	6,669,335	-	6,669,335
114	Tenant Security Deposits	8,400	7,100	-	-	300	20,131	-	69,995	-	105,926	-	105,926
100	Total Cash	501,558	486,129	119,173	61,752	300	375,047	40,465	9,558,523	-	11,142,947	363,769	11,506,716
Accounts and Notes Receivable:													
121	Accounts Receivable - PHA Projects	-	-	374	-	-	-	-	-	-	374	-	374
124	Accounts Receivable - Other Government	-	-	-	-	-	30,445	16,720	-	-	47,165	3,549	50,714
126	Accounts Receivable - Tenants	4,657	3,561	-	-	2,700	1,353	-	1,610	-	13,881	-	13,881
126.1	Accounts Receivable - Allowance	(1,417)	(1,042)	-	-	(900)	-	-	(89)	-	(3,448)	-	(3,448)
120	Total Receivables, Net	3,240	2,519	374	-	1,800	31,798	16,720	1,521	-	57,972	3,549	61,521
Other Current Assets:													
142	Prepaid Expenses and Other Assets	42,585	30,098	770	-	742	26,971	282	406,787	-	508,235	484	508,719
144	Inter Program Due From	-	-	-	-	-	-	171	-	(171)	-	-	-
	Total Other Current Assets	42,585	30,098	770	-	742	26,971	453	406,787	(171)	508,235	484	508,719
150	Total Current Assets	547,383	518,746	120,317	61,752	2,842	433,816	57,638	9,966,831	(171)	11,709,154	367,802	12,076,956
NONCURRENT ASSETS													
Capital Assets:													
161	Land	294,281	105,000	-	324,815	-	28,175	-	-	-	752,271	318,122	1,070,393
162	Buildings	3,945,000	1,061,679	-	2,219,774	-	1,456,300	-	16,414,325	-	25,097,078	-	25,097,078
164	Furniture, Equipment, and Machinery -												
	Administration	105,143	25,150	76,466	-	-	1,097	-	667,877	-	875,733	633	876,366
166	Accumulated Depreciation	(2,997,846)	(1,118,779)	(41,299)	(1,100,612)	-	(610,052)	-	(8,585,822)	-	(14,454,410)	(633)	(14,455,043)
167	Construction in Progress	-	-	-	-	760,162	-	-	59,564	-	819,726	-	819,726
168	Infrastructure	116,478	242,665	-	-	-	-	-	737,164	-	1,096,307	-	1,096,307
160	Total Capital Assets - Net	1,463,056	315,715	35,167	1,443,977	760,162	875,520	-	9,293,108	-	14,186,705	318,122	14,504,827
Other Assets:													
174	Other Assets	-	-	-	-	2,000	-	-	-	-	2,000	-	2,000
176	Investment in Joint Venture	-	-	-	-	-	-	-	-	-	-	519,230	519,230
	Total Other Assets	-	-	-	-	2,000	-	-	-	-	2,000	519,230	521,230
180	Total Noncurrent Assets	1,463,056	315,715	35,167	1,443,977	762,162	875,520	-	9,293,108	-	14,188,705	837,352	15,026,057
190	Total Assets	\$ 2,010,439	\$ 834,461	\$ 155,484	\$ 1,505,729	\$ 765,004	\$ 1,309,336	\$ 57,638	\$ 19,259,939	\$ (171)	\$ 25,897,859	\$ 1,205,154	\$ 27,103,013

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**DECEMBER 31, 2022**

Line Item No.	Account Description	Programs					Other Business Activities	Central Office Cost Center	Blended Component Unit	Eliminations	Primary Government	Discretely Presented Component Unit	Total
		Project Totals	HOME Investments Partnerships	Section 8 Housing Choice Voucher	Hazard Mitigation	Community Development Block Grant							
LIABILITIES AND NET POSITION													
CURRENT LIABILITIES													
312	Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
321	Accrued Wage and Payroll Taxes Payable	1,225	1,233	1,773	-	1,172	992	870	8,341	-	15,606	-	15,606
322	Accrued Compensated Absences - Current Portion	-	194	380	-	-	338	-	2,467	-	3,379	-	3,379
325	Accrued Interest Payable	-	1,289	-	-	-	-	-	8,088	-	9,377	-	9,377
331	Accounts Payable - HUD PHA Programs	-	-	2,519	-	-	-	-	-	-	2,519	-	2,519
333	Accounts Payable - Other Government	146,942	19,214	27,902	50	716,771	30,481	193,938	326,491	-	1,461,789	-	1,461,789
341	Tenant Security Deposits	8,400	7,100	-	-	300	20,131	-	69,995	-	105,926	-	105,926
342	Unearned Revenue	2,457	1,246	-	-	-	2,599	-	4,621	-	10,923	-	10,923
343	Current Portion of Long-Term Debt - Capital Projects	-	15,482	-	-	-	57,497	-	-	-	72,979	-	72,979
344	Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	-	-	498,500	38,977	-	537,477	-	537,477
345	Other Current Liabilities	-	-	-	-	13,418	-	-	5,956	-	19,374	-	19,374
347	Inter-Program - Due to Other Funds	-	-	-	-	171	-	-	-	(171)	-	-	-
310	Total Current Liabilities	159,024	45,758	32,574	50	731,832	112,038	693,308	464,936	(171)	2,239,349	3,000	2,242,349
NONCURRENT LIABILITIES													
351	Long-Term Debt, Net of Current - Capital Projects	-	1,194,877	-	-	-	367,151	-	4,214,629	-	5,776,657	-	5,776,657
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	163,221	-	163,221	-	163,221
354	Accrued Compensated Absences - Noncurrent	-	1,742	3,423	-	-	3,045	-	22,200	-	30,410	-	30,410
350	Total Noncurrent Liabilities	-	1,196,619	3,423	-	-	370,196	-	4,400,050	-	5,970,288	-	5,970,288
300	Total Liabilities	159,024	1,242,377	35,997	50	731,832	482,234	693,308	4,864,986	(171)	8,209,637	3,000	8,212,637
NET POSITION													
508.4	Net Investment in Capital Assets	1,463,056	(894,644)	35,167	1,443,977	760,162	450,872	-	5,072,523	-	8,331,113	318,122	8,649,235
511.4	Restricted	-	90,249	-	-	-	-	-	6,579,086	-	6,669,335	-	6,669,335
512.4	Unrestricted	388,359	396,479	84,320	61,702	(726,990)	376,230	(635,670)	2,743,344	-	2,687,774	884,032	3,571,806
513	Total Net Position	1,851,415	(407,916)	119,487	1,505,679	33,172	827,102	(635,670)	14,394,953	-	17,688,222	1,202,154	18,890,376
600	Total Liabilities and Net Position	\$ 2,010,439	\$ 834,461	\$ 155,484	\$ 1,505,729	\$ 765,004	\$ 1,309,336	\$ 57,638	\$ 19,259,939	\$ (171)	\$ 25,897,859	\$ 1,205,154	\$ 27,103,013

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Programs										Discretely Presented Component Unit	Total
		Project Totals	HOME	Section 8	Hazard Mitigation	Community	Other Business Activities	Central	Blended Component Unit	Eliminations	Primary Government		
			Investments Partnerships	Housing Choice Vouchers		Development Block Grant		Office Cost Center					
REVENUE													
70300	Net Tenant Rental Revenue	\$ 259,799	\$ 309,940	\$ -	\$ -	\$ 32,098	\$ 325,986	\$ -	\$ 3,377,753	\$ -	\$ 4,305,576	\$ -	\$ 4,305,576
70400	Tenant Revenue - Other	1,198	472	-	-	-	19,771	-	37,975	-	59,416	-	59,416
70500	Total Tenant Revenue	260,997	310,412	-	-	32,098	345,757	-	3,415,728	-	4,364,992	-	4,364,992
70600	HUD PHA Operating Grants	208,359	-	2,779,397	-	-	-	-	-	-	2,987,756	-	2,987,756
70710	Management Fee	-	-	-	-	-	-	123,881	-	(123,881)	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	21,435	-	(21,435)	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	145,316	-	(145,316)	-	-	-
70800	Other Government Grants	-	-	-	-	-	5,552	-	-	-	5,552	-	5,552
71100	Investment Income - Unrestricted	7,507	6,060	500	-	11	5,699	549	11,403	-	31,729	5,415	37,144
71500	Other Revenue	5,312	2,444	32	-	3,580	2,913	242,342	16,841	-	273,464	178,691	452,155
72000	Investment Income - Restricted	-	1,147	2,804	-	-	-	-	127,699	-	131,650	-	131,650
70000	Total Revenue	482,175	320,063	2,782,733	-	35,689	359,921	388,207	3,571,671	(145,316)	7,795,143	184,106	7,979,249
EXPENSES													
Administrative:													
91100	Administrative Salaries	-	22,167	63,210	-	-	21,784	42,821	149,825	-	299,807	-	299,807
91200	Auditing Fees	2,809	2,151	24,456	-	-	2,234	2,667	23,515	-	57,832	334	58,166
91300	Management Fee	45,839	24,795	27,168	-	-	26,079	-	195,910	(123,881)	195,910	-	195,910
91310	Bookkeeping Fee	4,455	-	16,980	-	-	-	-	-	(21,435)	-	-	-
91500	Employee Benefit Contributions	-	18,758	50,580	-	-	9,520	9,310	113,523	-	201,691	-	201,691
91600	Office Expenses	10,243	1,545	6,536	-	-	435	357	15,507	-	34,623	167	34,790
91700	Legal Expense	599	-	-	-	-	-	3,469	2,184	-	6,252	-	6,252
91800	Travel	59	-	-	-	-	-	1,038	-	-	1,097	-	1,097
91900	Other	363	2,400	5,758	600	193	8,968	39,431	3,600	-	61,313	1,800	63,113
91000	Total Operating - Administrative	64,367	71,816	194,688	600	193	69,020	99,093	504,064	(145,316)	858,525	2,301	860,826
Tenant Services:													
92100	Salaries	2,563	854	10,250	-	-	854	-	47,174	-	61,695	-	61,695
92300	Employee Benefit Contributions	1,923	641	7,691	-	-	641	-	32,456	-	43,352	-	43,352
92400	Tenant Services	138	-	-	-	-	-	-	1,841	-	1,979	-	1,979
92500	Total Tenant Services	4,624	1,495	17,941	-	-	1,495	-	81,471	-	107,026	-	107,026

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Programs										Discretely Presented Component Unit	Total
		Project Totals	HOME Investments Partnerships	Section 8 Housing Choice Voucher	Hazard Mitigation	Community Development Block Grant	Other Business Activities	Central Office Cost Center	Blended Component Unit	Eliminations	Primary Government		
93100	Utilities:												
93200	Water	\$ 6,744	\$ 726	\$ -	\$ -	\$ 3,041	\$ 227	\$ -	\$ 6,144	\$ -	\$ 16,882	\$ -	\$ 16,882
93800	Electricity	10,466	2,272	-	-	7,508	-	-	28,099	-	48,345	-	48,345
93000	Other Utilities Expense	480	1,191	-	-	3,559	19,975	-	1,775	-	26,980	-	26,980
	Total Utilities	17,690	4,189	-	-	14,108	20,202	-	36,018	-	92,207	-	92,207
94100	Ordinary Maintenance and Operation:												
94200	Labor	49,176	26,015	-	-	-	25,665	-	163,847	-	264,703	-	264,703
94300	Materials and Other	32,518	8,143	-	-	1,295	7,998	-	98,033	-	147,987	-	147,987
94500	Contracts	78,084	19,049	1,318	-	6,450	21,411	-	155,613	-	281,925	-	281,925
	Employee Benefit Contributions - Maintenance	42,747	22,272	-	-	-	20,930	-	128,540	-	214,489	-	214,489
	Total Maintenance and Operation	202,525	75,479	1,318	-	7,745	76,004	-	546,033	-	909,104	-	909,104
96140	Insurance Premiums:												
96100	All Other Insurance	77,530	65,211	4,023	-	2,355	59,354	1,911	281,515	-	491,899	2,968	494,867
	Total Insurance Premiums	77,530	65,211	4,023	-	2,355	59,354	1,911	281,515	-	491,899	2,968	494,867
96200	General Expenses:												
96210	Other General Expenses	5,029	4,417	22,060	-	160	208	275,955	57,650	-	365,479	59,075	424,554
96300	Compensated Absences	5,311	6,867	6,515	-	-	3,555	-	45,536	-	67,784	-	67,784
96400	Payments in Lieu of Taxes	24,231	-	-	-	-	-	-	25,753	-	49,984	-	49,984
96000	Bad Debt - Tenant Rents	1,417	4,822	-	-	900	-	-	14,921	-	22,060	-	22,060
	Total General Expenses	35,988	16,106	28,575	-	1,060	3,763	275,955	143,860	-	505,307	59,075	564,382
96710	Interest on Mortgage (or Bonds) Payable	-	1,289	-	-	-	16,207	-	-	-	17,496	-	17,496
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	27,882	8,088	-	35,970	-	35,970
96700	Total Interest Expense and Amortization Costs	-	1,289	-	-	-	16,207	27,882	8,088	-	53,466	-	53,466
96900	Total Operating Expenses	402,724	235,585	246,545	600	25,461	246,045	404,841	1,601,049	(145,316)	3,017,534	64,344	3,081,878
97000	Excess (Deficiency) of Revenue Over (Under) Operating Expenses	79,451	84,478	2,536,188	(600)	10,228	113,876	(16,634)	1,970,622	-	4,777,609	119,762	4,897,371

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Programs										Discretely Presented Component Unit	Total
		Project Totals	HOME Investments Partnerships	Section 8 Housing Choice Voucher	Hazard Mitigation	Community Development Block Grant	Other Business Activities	Central Office Cost Center	Blended Component Unit	Eliminations	Primary Government		
97100	Other Expenses:												
97100	Extraordinary Maintenance	\$ -	\$ 3,300	\$ -	\$ -	\$ 119	\$ 3,420	\$ -	\$ 157,239	\$ -	\$ 164,078	\$ -	\$ 164,078
97300	Housing Assistance Payments	-	-	2,568,037	-	-	-	-	-	-	2,568,037	-	2,568,037
97400	Depreciation Expense	101,257	61,928	11,824	55,494	-	37,604	-	369,216	-	637,323	-	637,323
	Total Other Expenses	101,257	65,228	2,579,861	55,494	119	41,024	-	526,455	-	3,369,438	-	3,369,438
90000	Total Expenses	503,981	300,813	2,826,406	56,094	25,580	287,069	404,841	2,127,504	(145,316)	6,386,972	64,344	6,451,316
	OTHER FINANCING SOURCES (USES)												
10010	Operating Transfers In	113,154	-	-	-	-	-	78,000	-	(191,154)	-	-	-
10020	Operating Transfers Out	(113,154)	(58,000)	-	-	-	(20,000)	-	-	191,154	-	-	-
10100	Total Other Financing Sources (Uses)	-	(58,000)	-	-	-	(20,000)	78,000	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(21,806)	(38,750)	(43,673)	(56,094)	10,109	52,852	61,366	1,444,167	-	1,408,171	119,762	1,527,933
11030	Net Position - Beginning of Year	1,873,221	(369,166)	163,160	1,561,773	23,063	774,250	(697,036)	12,950,786	-	16,280,051	1,082,392	17,362,443
	NET POSITION - END OF YEAR	\$ 1,851,415	\$ (407,916)	\$ 119,487	\$ 1,505,679	\$ 33,172	\$ 827,102	\$ (635,670)	\$ 14,394,953	\$ -	\$ 17,688,222	\$ 1,202,154	\$ 18,890,376
11170	Administrative Fee Equity	\$ -	\$ -	\$ 119,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,487	\$ -	\$ 119,487
11180	Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190	Unit Months Available	600	276	2,400	-	-	252	-	1,560	-	5,088	-	5,088
11210	Number of Unit Months Leased	594	264	2,264	-	-	252	-	1,499	-	4,873	-	4,873
11270	Excess Cash	\$ 312,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,214	\$ -	\$ 312,214

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE – OTHER BUSINESS ACTIVITIES**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

Line Item No.	Account Description	Non FEMA Scattered Sites	Big Coppitt	Management of Government Programs	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
	Cash:				
111	Unrestricted	\$ 309,002	\$ 69,366	\$ (23,452)	\$ 354,916
114	Tenant Security Deposits	18,134	1,997	-	20,131
100	Total Cash	327,136	71,363	(23,452)	375,047
	Accounts and Notes Receivable				
124	Accounts Receivable - Other Government	-	-	30,445	30,445
126	Accounts Receivable - Tenant	1,353	-	-	1,353
120	Total Receivables, Net	1,353	-	30,445	31,798
	Other Current Assets				
142	Prepaid Expenses and Other Assets	22,089	4,758	124	26,971
	Total Other Current Assets	22,089	4,758	124	26,971
150	Total Current Assets	350,578	76,121	7,117	433,816
<b>NONCURRENT ASSETS</b>					
	Capital Assets:				
161	Land	28,175	-	-	28,175
162	Buildings	1,151,908	304,392	-	1,456,300
164	Furniture, Equipment and Machinery	-	-	1,097	1,097
166	Accumulated Depreciation	(489,640)	(119,315)	(1,097)	(610,052)
160	Total Capital Assets - Net	690,443	185,077	-	875,520
180	Total Noncurrent Assets	690,443	185,077	-	875,520
190	Total Assets	\$ 1,041,021	\$ 261,198	\$ 7,117	\$ 1,309,336
<b>LIABILITIES AND NET POSITION</b>					
<b>CURRENT LIABILITIES</b>					
321	Accrued Wage and Payroll Taxes Payable	\$ 907	\$ 35	\$ 50	\$ 992
322	Accrued Compensated Absences -				
	Current Portion	311	27	-	338
333	Accounts Payable - Other Governments	13,886	1,042	15,553	30,481
341	Tenant Security Deposits	18,134	1,997	-	20,131
342	Unearned Revenue	1,412	1,187	-	2,599
	Current Portion of Long-Term Debt -				
343	Capital Projects	57,497	-	-	57,497
310	Total Current Liabilities	92,147	4,288	15,603	112,038
<b>NONCURRENT LIABILITIES</b>					
351	Long-Term Debt, Net of Current -				
	Capital Projects	367,151	-	-	367,151
354	Accrued Compensated Absences - Noncurrent	2,803	242	-	3,045
350	Total Noncurrent Liabilities	369,954	242	-	370,196
300	Total Liabilities	462,101	4,530	15,603	482,234
<b>NET POSITION</b>					
508.4	Net Investment in Capital Assets	265,795	185,077	-	450,872
512.4	Unrestricted	313,125	71,591	(8,486)	376,230
513	Total Net Position	578,920	256,668	(8,486)	827,102
600	Total Liabilities and Net Position	\$ 1,041,021	\$ 261,198	\$ 7,117	\$ 1,309,336

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE – OTHER BUSINESS ACTIVITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Non FEMA Scattered Sites	Big Coppitt	Management of Government Programs	Total
<b>REVENUE</b>					
70300	Tenant Rental Revenue	\$ 271,098	\$ 54,888	\$ -	\$ 325,986
70400	Tenant Revenue - Other	19,436	335	-	19,771
70500	Total Tenant Revenue	290,534	55,223	-	345,757
70800	Other Governmental Grants	-	-	5,552	5,552
71100	Investment Income - Unrestricted	4,689	990	20	5,699
71500	Other Revenue	1,912	425	576	2,913
70000	Total Revenue	297,135	56,638	6,148	359,921
<b>EXPENSES</b>					
Administrative:					
91100	Administrative Salaries	9,624	1,403	10,757	21,784
91200	Auditing Fees	2,234	-	-	2,234
91300	Management Fee	21,688	4,391	-	26,079
91500	Employee Benefit Contributions - Administrative	7,578	1,119	823	9,520
91600	Office Expenses	252	35	148	435
91700	Legal Expense	-	-	-	-
91900	Other	3,234	3,186	2,548	8,968
91000	Total Operating - Administrative	44,610	10,134	14,276	69,020
Tenant Services:					
92100	Salaries	854	-	-	854
92300	Employee Benefit Contributions	641	-	-	641
92000	Total Tenant Services	1,495	-	-	1,495
Utilities:					
93100	Water	-	227	-	227
93800	Other Utilities Expense	19,608	367	-	19,975
93000	Total Utilities	19,608	594	-	20,202
Ordinary Maintenance and Operation:					
94100	Labor	25,665	-	-	25,665
94200	Materials and Other	6,408	1,590	-	7,998
94300	Contracts	13,227	8,184	-	21,411
94500	Employee Benefit Contributions - Maintenance	20,930	-	-	20,930
94000	Total Maintenance and Operation	66,230	9,774	-	76,004
Insurance Premiums					
96140	All Other Insurance	49,005	10,012	337	59,354
	Total Insurance Premiums	49,005	10,012	337	59,354
General Expenses:					
96200	Other General Expense	7	-	201	208
96210	Compensated Absences	3,605	(50)	-	3,555
96000	Total General Expenses	3,612	(50)	201	3,763

**MONROE COUNTY HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE – OTHER BUSINESS ACTIVITIES**  
**SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Non FEMA Scattered Sites	Big Coppitt	Management of Government Programs	Total
	<b>EXPENSES(CONTINUED)</b>				
96710	Interest on Mortgage (or Bonds) Payable	\$ 16,207	\$ -	\$ -	\$ 16,207
96900	Total Operating Expenses	200,767	30,464	14,814	246,045
97000	<b>Excess (Deficiency) of Revenue Over (Under) Operating Expenses</b>	96,368	26,174	(8,666)	113,876
	<b>Other Expenses</b>				
97100	Extraordinary Maintenance	3,420	-	-	3,420
97400	Depreciation Expense	28,798	8,806	-	37,604
	Total Other Expenses	32,218	8,806	-	41,024
90000	Total Expenses	232,985	39,270	14,814	287,069
	<b>Other Financing Uses</b>				
10020	Operating Transfers Out	(5,000)	(15,000)	-	(20,000)
10010	Total Other Financing Uses	(5,000)	(15,000)	-	(20,000)
10000	<b>Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	59,150	2,368	(8,666)	52,852
11030	Net Position - Beginning of Year	519,770	254,300	180	774,250
	<b>NET POSITION - END OF YEAR</b>	<u>\$ 578,920</u>	<u>\$ 256,668</u>	<u>\$ (8,486)</u>	<u>\$ 827,102</u>

**MONROE COUNTY HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2022**

<u>Federal Grantor/Pass through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>Direct Federal Assistance</b>				
<u>Department of Housing and Urban Development</u>				
Public and Indian Housing	14.850	N/A	N/A	\$ 95,205
Section 8 Housing Choice Voucher Program	14.871	N/A	N/A	2,779,397
Public Housing Capital Fund	14.872	N/A	N/A	<u>113,154</u>
Total Direct Federal Awards				2,987,756
<b>Indirect Federal Assistance</b>				
<u>Department of Housing and Urban Development</u>				
Passed through Florida Housing Finance Corporation HOME Investment Partnership Program - Mortgage	14.239	N/A	N/A	1,119,107
Total Federal Awards				<u><u>\$ 4,106,863</u></u>

*See accompanying Notes to Schedule of Expenditures of Federal Awards*

**MONROE COUNTY HOUSING AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

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

**NOTE 2 INDIRECT COSTS RATE**

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

**NOTE 3 HOUSING CHOICE VOUCHER PROGRAM**

The Authority received \$2,779,397 in federal funding for the Section 8 Housing Choice Voucher Program (ALN 14.871) during the year. The Authority reported \$2,826,406 in expenses on an accrual basis for the Section 8 Housing Choice Voucher Program during the year, which were paid with federal and nonfederal funds.

**NOTE 4 LOANS OUTSTANDING**

Monroe County Housing Authority had the following loan balance outstanding at December 31, 2022:

<u>Program Title</u>	<u>Amount Outstanding</u>
Passed through Florida Housing Finance Corporation HOME Investment Partnership Program - Mortgage	\$ 1,119,107

## **SUPPLEMENTARY REPORTS**



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

Board of Commissioners  
Monroe County Housing Authority  
Key West, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Authority, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 30, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

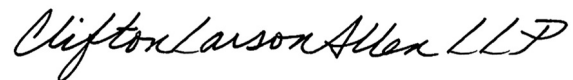
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Lakeland, Florida  
August 30, 2023



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

Board of Commissioners  
Monroe County Housing Authority  
Key West, Florida

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Monroe County Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Lakeland, Florida  
August 30, 2023

**MONROE COUNTY HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

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***Section I – Summary of Auditors' Results***

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***Financial Statements***

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

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness identified? \_\_\_\_\_ Yes        X   No
  - Significant deficiency identified? \_\_\_\_\_ Yes        X   None Reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes        X   No

**Identification of Major Federal Programs**

**Federal Assistance Listing Number**

14.239

**Name of Federal Program or Cluster**

Home Investment Partnerships Program

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

\$750,000

Auditee qualified as low-risk auditee?

  X   Yes      \_\_\_\_\_ No

**MONROE COUNTY HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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***Section II – Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).