

**THE HOUSING AUTHORITY OF THE
CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021



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THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of the City of Key West, Florida
Key West, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary fund of The Housing Authority of the City of Key West, Florida (the Authority), as of and for the year ended December 31, 2021, 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 business-type activities and the fiduciary fund of the Authority as of December 31, 2021, 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 the 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 the 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, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 September 2, 2022d September 2, 2022, 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 the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
September 2, 2022

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

As management of The Housing Authority of the City of Key West, Florida (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, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements.

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

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities as of December 31, 2021 by \$27,117,146 (net position).
- The Authority's total operating revenue was \$21,196,506 which consisted of tenant dwelling rentals for \$10,776,377, United States Department of Housing and Urban Development (HUD) grants in the amount of \$5,078,839, management fees of \$256,247, other government grants of \$4,490,000, and other revenue of \$595,043.

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 deferred outflows of resources and liabilities and deferred inflows of resources 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 Revenues, 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.
- Certain prior year balances within the Management's Discussion and Analysis have been reclassified to conform to current year balances.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Overview of Financial Statements (Continued)

The attached analysis of net position, revenue, and expenses of the proprietary fund are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting.

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 and deferred outflows of resources) to what the Authority owes (liabilities and deferred inflow of resources). 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, Key West Housing Authority made the HUD-mandated transition to Project Based Asset Management. Essentially, this transition involved two significant changes:

- (1) Public Housing is now managed similarly to privately-owned housing development, including the payment of management and book-keeping 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 book-keeping fees, to be the management center of the housing authority.

At December 31, 2021, total assets and deferred outflows of resources were \$84,563,413; total current assets were \$13,325,580, including current restricted assets of \$4,698,172, which consists of cash for repayment of tenant security deposits and cash kept in reserve accounts for payment of long-term debt and future maintenance requirements. Net capital assets were \$69,795,976.

In addition, total liabilities and deferred inflows of resources were \$57,446,267; total current liabilities were \$4,694,205; including liabilities payable from restricted assets of \$494,571, and total long-term (noncurrent) liabilities were \$50,652,070 at December 31, 2021.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Overview of Financial Statements (Continued)

Net Position – the difference between an organization's assets and deferred outflows of resources and its liabilities and deferred inflows of resources 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 whose use is subject to constraints imposed by law or agreement.

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

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Condensed Financial Information - Assets, Liabilities and Net Position

	December 31,			
	2021	2020	\$ Change	% Change
ASSETS				
Current Assets	\$ 8,627,408	\$ 9,415,304	\$ (787,896)	-8.37%
Current Restricted Assets	4,698,172	537,848	4,160,324	773.51%
Net Capital Assets	69,795,976	64,239,112	5,556,864	8.65%
Noncurrent Assets	763,468	351,662	411,806	100.00%
Total Assets	83,885,024	74,543,926	9,341,098	12.53%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources - Pension	202,056	391,937	(189,881)	-48.45%
Deferred Outflows of Resources - OPEB	476,333	549,991	(73,658)	-13.39%
Total Deferred Outflows of Resources	678,389	941,928	(263,539)	-27.98%
Total Assets and Deferred Outflows of Resources	<u>\$ 84,563,413</u>	<u>\$ 75,485,854</u>	<u>\$ 9,077,559</u>	12.03%
LIABILITIES				
Current Liabilities	\$ 4,199,634	\$ 3,048,436	\$ 1,151,198	37.76%
Current Liabilities Payable from Restricted Assets	494,571	472,566	22,005	4.66%
Noncurrent Liabilities	50,652,070	46,497,751	4,154,319	8.93%
Total Liabilities	55,346,275	50,018,753	5,327,522	10.65%
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources - Pension	1,691,038	1,076,824	614,214	57.04%
Deferred Inflows of Resources - OPEB	408,954	294,601	114,353	38.82%
Total Deferred Inflows of Resources	2,099,992	1,371,425	728,567	53.12%
NET POSITION				
Net Investment in Capital Assets	18,694,960	14,510,610	4,184,350	28.84%
Restricted	4,203,601	844	4,202,757	497956.99%
Unrestricted	4,218,585	9,584,222	(5,365,637)	-55.98%
Total Net Position	27,117,146	24,095,676	3,021,470	12.54%
Total Liabilities, Deferred Outflows of Resources and Net Position	<u>\$ 84,563,413</u>	<u>\$ 75,485,854</u>	<u>\$ 9,077,559</u>	12.03%

Total assets increased by \$9,341,098 from the prior year. This is due to an increase of \$4,160,324 in current restricted assets, which was caused by the other government grants received for future construction related to the Community Development Block Grant (CDBG). Net Capital Assets increased by \$5,556,864, this increase was caused by a \$3,640,000 increase in land and a \$3,975,601 increase in Construction in Progress. These increase were offset by \$2,129,973 in depreciation expense mostly caused by land of \$3.6 million that was acquired in the current year.

Current liabilities and current liabilities payable from restricted assets increased by \$1,151,198. This was caused by an increase in accounts payable, primarily caused by payables related to the new construction of Garden View Apartments.

Noncurrent liabilities increased by \$4,154,319. This increase was due to proceed of a CDBG loan being received in the current year of \$5,464,447, offset by payments on debt in the amount of \$1,022,534.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Revenue, Expenses and Changes in Net Position

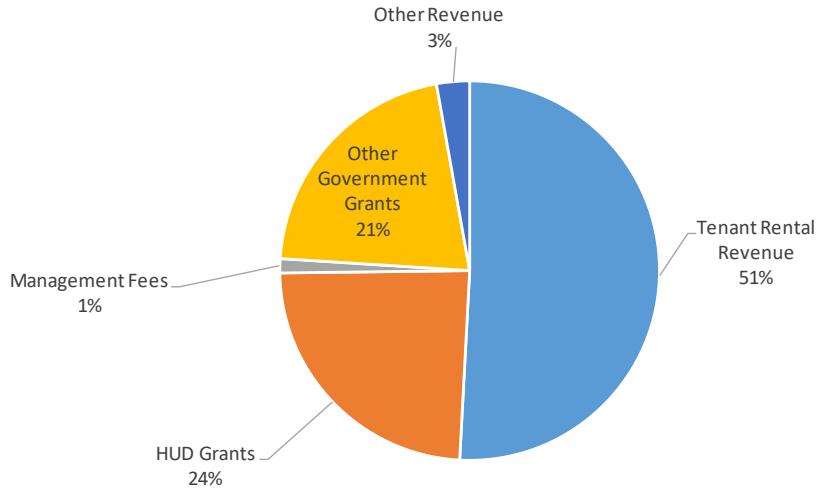
	Year Ended December 31,			
	2021	2020	\$ Change	% Change
OPERATING REVENUE				
Total Tenant Rental Revenue	\$ 10,776,377	\$ 10,254,181	\$ 522,196	5.09%
HUD Grants	5,078,839	4,364,861	713,978	16.36%
Management Fees	256,247	254,215	2,032	0.80%
Other Government Grants	4,490,000	-	4,490,000	100.00%
Other Revenue	595,043	613,949	(18,906)	-3.08%
Total Operating Revenue	21,196,506	15,487,206	5,709,300	36.86%
OPERATING EXPENSES				
Administrative	2,327,124	2,226,272	100,852	4.53%
Tenant Services	1,246,228	1,130,884	115,344	10.20%
Utilities	501,424	500,470	954	0.19%
Ordinary Maintenance and Operation	3,733,616	3,403,474	330,142	9.70%
Protective Services	13,575	-	13,575	100.00%
Insurance Premiums	1,991,390	1,660,931	330,459	19.90%
General	978,039	605,756	372,283	61.46%
Housing Assistance Payments	3,271,741	3,364,756	(93,015)	-2.76%
Depreciation Expense	2,129,973	2,117,159	12,814	0.61%
Extraordinary Maintenance	723,389	358,075	365,314	102.02%
Total Operating Expenses	16,916,499	15,367,777	1,548,722	10.08%
INCOME FROM OPERATIONS	4,280,007	119,429	4,160,578	3483.73%
NONOPERATING REVENUE (EXPENSE)				
Investment Income - Unrestricted	8,108	51,969	(43,861)	-84.40%
Investment Income - Restricted	132	-	132	100.00%
Gain on Sale of Capital Assets	8,227	3,500	4,727	135.06%
Interest Expense	(1,364,267)	(1,415,401)	51,134	-3.61%
Total Nonoperating Expenses	(1,347,800)	(1,359,932)	12,132	-0.89%
Capital Grants	89,263	1,614	87,649	5430.55%
CHANGE IN NET POSITION	3,021,470	(1,238,889)	4,260,359	-343.89%
Net Position - Beginning of Year	24,095,676	25,334,565	(1,238,889)	-4.89%
NET POSITION - END OF YEAR	<u>\$ 27,117,146</u>	<u>\$ 24,095,676</u>	<u>\$ 3,021,470</u>	12.54%

For the year ended December 31, 2021, overall operating revenue increased by \$5,709,300. This increase was primarily caused by other government grants of \$4,490,000 related to money received from the Monroe County Land Authority and the City of Key West.

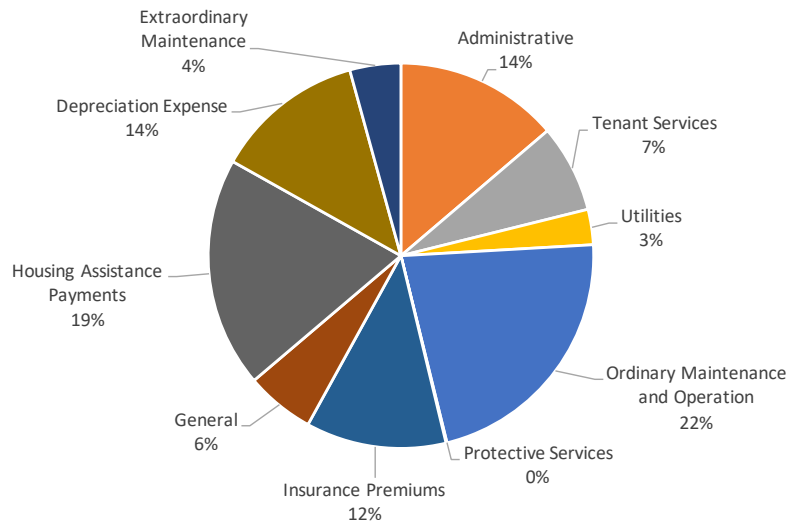
In 2021, total operating revenue was \$21,196,506 while total operating expenses were \$16,916,499. The total cost of operating expenses increased by \$1,548,722 or approximately 10%. This is primarily due to an increase in Ordinary Maintenance and Operation of \$330,142, Insurance Premiums of \$330,459, and Extraordinary Maintenance of \$365,314.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

2021 Operating Revenue



2021 Operating Expenses



**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Program/Activity Accounting

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

Authority's programs/activities:

- Public and Indian Housing (CFDA 14.850)
- Section 8 Housing Choice Vouchers (CFDA 14.871)
- Public Housing Capital Fund Program (CFDA 14.872)
- HOME Investments Partnerships Program (CFDA 14.239)
- Community Development Block Grants Disaster Recovery Grants (14.269)
- Other Business Activities
- Resident Opportunity and Supportive Services (CFDA 14.870)
- Pension Trust Fund

Other Events

During 2019, the Authority also began development of Garden View Apartments, a community which will host approximately 104 workforce affordable housing units. The project is expected to be completed by mid-year 2022.

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 higher 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 Irma related damages and impact upon the rental market.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Operational Metrics

During the fiscal year, the Authority noted the following metrics as they relate to occupancy, tenant revenue, and housing assistance revenue and payments.

Affordable Housing Occupancy Data by Program

	2021	2020	Change	% Change
Public Housing Program				
Unit Months Available	7,056	7,056	-	0.00%
Unit Months Leased	6,859	6,953	(94)	-1.35%
Occupancy	97.21%	98.54%	-1.33%	-1.35%
HOME Investments				
Partnerships Program				
Unit Months Available	336	336	-	0.00%
Unit Months Leased	320	330	(10)	-3.03%
Occupancy	95.24%	98.21%	-2.98%	-3.03%
Other Business Activities				
Unit Months Available	5,400	5,510	(110)	-2.00%
Unit Months Leased	4,755	4,703	52	1.11%
Occupancy	88.06%	85.35%	2.70%	3.17%
TOTAL				
Unit Months Available	12,792	12,902	(110)	-0.85%
Unit Months Leased	11,934	11,986	(52)	-0.43%
Occupancy	93.29%	92.90%	0.39%	0.42%

Due to the high demand for affordable housing units in Key West, the Authority expects for overall affordable housing occupancy to remain high for the foreseeable future. HOME Investments Partnerships occupancy decreased by 2.98%. Other Business Activities occupancy increased by 2.70%.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Operational Metrics (Continued)

Tenant Rent Data by Program				
	2021	2020	Change	% Change
Public Housing Program				
Tenant Revenue	\$ 3,450,901	\$ 3,256,459	\$ 194,442	5.97%
Unit Months Leased	6,859	6,953	(94)	-1.35%
Average Tenant Rent	\$ 503.12	\$ 468.35	\$ 34.77	7.42%
HOME Investments				
Partnerships Program				
Tenant Revenue	\$ 281,744	\$ 291,558	\$ (9,814)	-3.37%
Unit Months Leased	320	330	(10)	-3.03%
Average Tenant Rent	\$ 880.45	\$ 883.51	\$ (3.06)	-0.35%
Other Business Activities				
Tenant Revenue	\$ 7,092,096	\$ 6,770,634	\$ 321,462	4.75%
Unit Months Leased	4,755	4,703	52	1.11%
Average Tenant Rent	\$ 1,491.50	\$ 1,439.64	\$ 51.86	3.60%
TOTAL				
Tenant Revenue	\$ 10,824,741	\$ 10,318,651	\$ 506,090	4.90%
Unit Months Leased	11,934	11,986	(52)	-0.43%
Average Tenant Rent	\$ 907.05	\$ 860.89	\$ 46.16	5.36%

Tenant revenue is expected to increase or decrease in response to changes in unit months leased. However, tenant revenue is also dependent on tenant income, which can vary from year to year based on individual or economic factors. Average rent increased for affordable housing units by 5.36% during the fiscal year. This is mainly attributable to an increase in Public Housing program average tenant rent of 7.42% and an increase in Other Business Activities average tenant rent of 3.60%.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Operational Metrics (Continued)

Housing Choice Voucher Cluster Metrics				
	2021	2020	Change	% Change
Occupancy				
Unit Months Available	3,048	3,048	-	0.00%
Unit Months Leased	2,948	3,024	(76)	-2.51%
Occupancy	96.72%	99.21%	-2.49%	-2.51%
HAP Revenue				
HAP Revenue	\$ 3,362,067	\$ 3,265,784	\$ 96,283	2.95%
Unit Months Leased	2,948	3,024	(76)	-2.51%
Average HAP Revenue	\$ 1,140.46	\$ 1,079.96	\$ 60.50	5.60%
HAP Expense				
HAP Expense	\$ 3,242,627	\$ 3,364,756	\$ (122,129)	-3.63%
Unit Months Leased	2,948	3,024	(76)	-2.51%
Average HAP Expense	\$ 1,099.94	\$ 1,112.68	\$ (12.74)	-1.15%

The Housing Choice Voucher Program is limited by HUD funding and impacted by the local rental market. Due to increased rental rates and based on current HUD funding, the maximum vouchers able to be utilized is approximately 85-95%. During the fiscal year, 100% of HUD funding was utilized.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
STATEMENT OF NET POSITION
DECEMBER 31, 2021

**ASSETS AND DEFERRED OUTFLOWS
OF RESOURCES**

CURRENT ASSETS

Cash - Unrestricted	\$ 6,276,612
Cash - Restricted - Other	4,203,601
Cash - Restricted - Tenant Security Deposits	494,571
Receivables, Net	1,446,821
Inventories, Net Allowance of \$13,893	125,040
Prepaid Expenses	<u>778,935</u>
Total Current Assets	13,325,580

NONCURRENT ASSETS

Capital Assets Not Being Depreciated	20,190,806
Capital Assets Being Depreciated, Net	<u>49,605,170</u>
Net Capital Assets	69,795,976

Net Pension Asset	<u>763,468</u>
Total Noncurrent Assets	70,559,444

Total Assets	83,885,024
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources - Pension Related Items	202,056
Deferred Outflows of Resources - OPEB Related Items	<u>476,333</u>
Total Deferred Outflows of Resources	<u>678,389</u>

Total Assets and Deferred Outflows of Resources	<u><u>\$ 84,563,413</u></u>
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See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND NET POSITION**

CURRENT LIABILITIES

Accounts Payable	\$ 1,950,415
Accrued Liabilities	73,211
Accrued Compensated Absences, Current Portion	19,694
Accounts Payable - HUD PHA Programs	13,165
Accounts Payable - Other Government	146,407
Current Portion of Long-Term Debt	1,709,548
Unearned Revenue	88,965
Other Current Liabilities	198,229
Total Current Liabilities	<u>4,199,634</u>

CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Tenant Security Deposits	494,571
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NONCURRENT LIABILITIES - OTHER

Long-Term Debt, Net of Current Portion	49,195,086
Accrued Compensated Absences, Net of Current Portion	177,253
Total OPEB Liability	<u>1,279,731</u>
Total Noncurrent Liabilities	<u>50,652,070</u>

Total Liabilities	55,346,275
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources - Pension Related Items	1,691,038
Deferred Inflows of Resources - OPEB Related Items	<u>408,954</u>
Total Deferred Inflows of Resources	2,099,992

NET POSITION

Net Investment in Capital Assets	18,694,960
Restricted	4,203,601
Unrestricted	<u>4,218,585</u>
Total Net Position	<u>27,117,146</u>

Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 84,563,413</u></u>
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See accompanying Notes to Financial Statements.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

OPERATING REVENUES

Net Tenant Revenue	\$ 10,776,377
Operating Grants and Subsidies - HUD	5,078,839
Management and Bookkeeping Fees	256,247
Other Government Grants	4,490,000
Other Revenue	595,043
Total Operating Revenues	<u>21,196,506</u>

OPERATING EXPENSES

Administrative	2,327,124
Tenant Services	1,246,228
Utilities	501,424
Maintenance and Operations	3,733,616
Protective Services	13,575
Insurance Premiums	1,991,390
General Expenses	978,039
Housing Assistance Payments	3,271,741
Depreciation Expense	2,129,973
Extraordinary Maintenance	723,389
Total Operating Expenses	<u>16,916,499</u>

INCOME FROM OPERATIONS

4,280,007

NONOPERATING REVENUES (EXPENSES)

Investment Income - Unrestricted	8,108
Investment Income - Restricted	132
Gain on Sale of Assets	8,227
Interest Expense	(1,364,267)
Total Nonoperating Expenses	<u>(1,347,800)</u>

INCOME BEFORE CAPITAL GRANTS

2,932,207

CAPITAL GRANTS

89,263

CHANGE IN NET POSITION

3,021,470

Net Position - Beginning of Year

24,095,676

NET POSITION - END OF YEAR

\$ 27,117,146

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts:

Dwelling Rent Receipts	\$ 10,752,295
Operating Subsidies and Grant Receipts	5,097,094
Other Governmental Subsidy and Grant Receipts	4,490,000
Other Income Receipts	500,942
Total Receipts	<u>20,840,331</u>

Disbursements:

Payments to and Benefits for Employees	5,286,599
Payments to Suppliers	4,929,019
Payments to Landlords	3,271,741
Total Disbursements	<u>13,487,359</u>
Net Cash Provided by Operating Activities	<u>7,352,972</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from Issuance of Debt	5,514,448
Interest Paid on Capital Debt	(1,364,267)
Purchase of Capital Assets	(7,760,698)
Payment of Debt Principal	(1,022,804)
Capital Grant Receipts	89,263
Proceeds from Sale of Capital Assets	82,088
Net Cash Used by Capital and Related Financing Activities	<u>(4,461,970)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	<u>8,240</u>
Net Cash Provided by Investing Activities	<u>8,240</u>

NET INCREASE IN CASH

2,899,242

Cash - Beginning of Year

8,075,542

CASH - END OF YEAR

\$ 10,974,784

REPORTED AS:

Cash - Unrestricted	\$ 6,276,612
Cash - Restricted - Other	4,203,601
Cash - Restricted - Tenant Security Deposits	494,571
Total Cash - End of Year	<u><u>\$ 10,974,784</u></u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Income from Operations	\$ 4,280,007
Adjustments to Reconcile Net Income from Operations to Net Cash	
Provided by Operating Activities:	
Depreciation Expense	2,129,973
Allowance for Doubtful Accounts	(2)
Inventory Allowance	2,007
(Increase) Decrease in Assets and Deferred Outflows:	
Accounts Receivables - Tenants	(23,071)
Accounts Receivables - HUD Other Projects	18,255
Accounts Receivables - Miscellaneous	374
Accounts Receivables - Other Governments	(350,722)
Inventories	(20,071)
Prepaid Expenses and Other Current Assets	(99,956)
Deferred Outflows of Resources - Pension Related	189,881
Net Pension Asset	(411,806)
Deferred Outflows of Resources - OPEB Related	73,658
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	1,138,274
Accounts Payable - Other Governments	80,156
Accrued Wage/Payroll Taxes Payable	(129,691)
Accrued Compensated Absences	(289,315)
Unearned Revenue	(23,014)
Tenant Security Deposits	22,005
Other Current Liabilities	198,229
Other Postemployment Benefits Liability	(160,766)
Deferred Inflows of Resources - Pension Related	614,214
Deferred Inflows of Resources - OPEB Related	114,353
	<hr/>
Net Cash Provided by Operating Activities	<u><u>\$ 7,352,972</u></u>

See accompanying Notes to Financial Statements.

REMAINING FUND INFORMATION

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND
DECEMBER 31, 2021**

ASSETS

CURRENT ASSETS

Cash	\$ 144,500
Investments:	
Money Market Funds	2,001
Mutual Funds	<u>15,364,607</u>
Total Investments, at Fair Value	15,366,608
Prepaid Expenses	<u>3,738</u>
Total Current Assets	<u><u>\$ 15,514,846</u></u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Due to Primary Government	\$ 19,691
Total Current Liabilities	<u>19,691</u>

NET POSITION RESTRICTED FOR PENSION BENEFITS

	<u>15,495,155</u>
Total Liabilities and Net Position	<u><u>\$ 15,514,846</u></u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUND
YEAR ENDED DECEMBER 31, 2021

ADDITIONS

Employer Contributions	\$ 412,134
Investment Income:	
Net Change in Fair Value of Investments	1,256,231
Interest	141
Dividends	898,555
Total Investment Income	<u>2,154,927</u>
Less: Investment Expenses	<u>113,321</u>
Net Investment Income	<u>2,041,606</u>
Total Additions	2,453,740

DEDUCTIONS

Benefits Paid to Participants	654,116
Administrative Fees	24,597
Total Deductions	<u>678,713</u>

CHANGE IN NET POSITION

1,775,027

Net Position - Beginning of Year

13,720,128

NET POSITION - END OF YEAR

\$ 15,495,155

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Housing Authority of the City of Key West, Florida (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 Key West, 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 Governmental Accounting Standards Board 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, is legally separate and is fiscally independent of other state or local governments.

However, for financial reporting purposes, the City of Key West, Florida (the City) considers the Authority to be a component unit because the Mayor, with the approval of the City Commission, appoints the members of the Board of Commissioners of the Authority in accordance with Florida Statute Chapter 421.

In determining how to define the reporting entity, management of the Authority has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. 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.

Based on the application of these criteria, the Authority has one component unit. The pension plan statements are separately issued financial statements that are included as a fiduciary fund of the primary government.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related Organizations

The Authority has contracts with certain other entities whereby the Authority provides management services and has managerial control of the entities' assets and operations. The Authority maintains all of the accounting records for such entities and has the authority to execute all transactions, including the check signing authority. However, all of these actions are taken at the direction of the respective governing boards. These entities include the following:

Monroe County Housing Authority and its Component Unit

Monroe County Housing Authority (MCHA) is also considered to be a related organization of the Authority since the Authority provides management services and has operational control of MCHA's assets and operations. The Authority maintains all of the accounting records for MCHA and has the authority to execute all transactions, including the check signing authority. However, all of these actions are taken at the direction of and subject to approval by MCHA's Board of Commissioners.

MCHA has two component units according to the criteria established by the Governmental Accounting Standards Board. The Authority performs the same services for these entities as it does for MCHA. These entities are as follows:

Monroe County Housing Corporation, Inc. (MCHC) is a corporation nonprofit organized under Chapter 617 of the Florida Statutes. MCHC was established by MCHA as an agency or instrumentality of MCHA. 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 MCHA. All such activities are subject to approval of and use by MCHA. MCHC is fiscally dependent on MCHA and is, therefore, considered to be a component unit of MCHA.

Marathon Housing Associates, LTD. (MHA) is a limited partnership duly formed in the state of Florida. MCHA and MCHC are the managing general partner and fiscal general partner, respectively. During fiscal year 2019, MCHA and MCHC obtained majority ownership of MHA, therefore, MHA is now considered to be a blended component unit of MCHA.

The above entities are not considered to be component units of the Authority because they have independent governing boards; the Authority is not financially accountable for their activities as it cannot impose its will on these entities and there is no potential for these entities to provide financial benefit to or impose financial burdens on the Authority.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

Enterprise Fund

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.

Pension Trust Fund

The Authority maintains a pension trust fund which is accounted for in essentially the same manner as a proprietary fund on the accrual basis of accounting.

The Pension Plan uses the accrual basis of accounting. The Pension Plan accounting 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.

Employer contributions (\$412,134 for the year ended December 31, 2021) are recognized in the period in which the contributions are due and when the Authority has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Pension Plan.

The Pension Plan does not have any long-term contracts for contributions.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

These programs/activities are as follows:

HOME Investments Partnerships Program (AL 14.239)

The HOME Investments Partnership Program provides accountability for the operations of an affordable housing complex (Jack T. Murray Senior Complex) in Key West, Florida. The complex was constructed, in part, by the proceeds of a loan that was funded through a grant from HUD under the HOME Investments Partnerships Program.

Public and Indian Housing (AL 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.

Section 8 Housing Choice Voucher (AL 14.871)

This 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.

Public Housing Capital Fund (AL 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.

Resident Opportunity and Supportive Services Program (AL 14.870)

This program accounts for the activities of the Authority associated with assisting residents in becoming economically self-sufficient.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program/Activity Accounting (Continued)

Community Development Block Grants Disaster Recovery Grants (AL 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.

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 list of properties are as follows: Poinciana Complex, Key Plaza Site B (a/k/a Roosevelt C. Sands Jr Housing Complex), Roosevelt Gardens Complex, Old Town Housing Apartments, 3rd & Patterson, Washington Street, and Poinciana Gardens Senior Living Units.

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, 2021, the Authority did not have any cash equivalents.

Inventory

Inventory consists of materials and is valued at the lower of cost or market determined on the first-in-first-out basis using the weighted average method.

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, pay housing assistance payments to landlords and accounts established for certain escrow purposes in connection with certain debt issues.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and improvements 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.

Compensated Absences

KWHA'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 384 unused sick leave and 288 unused annual (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 received in advance and funding for certain grants that were received in advance.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plan and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Housing Authority's Retiree Health Care Plan (HARHCP) and additions to/deductions from the HARHCP fiduciary net position have been determined on the same basis as they are reported by the HARHCP. For this purpose, the HARHCP recognizes benefit payments when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

Deferred inflows and deferred outflows of resources relate to the Authority's Pension Plan and the HARHCP. Potential components of deferred inflows and outflows of resources include the differences between expected and actual experiences, changes in actuarial assumptions, and the net difference between projected and actual investment earnings.

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The amounts will be recognized as increases in pension and OPEB expense in future years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The amounts will be recognized as decreases in pension and OPEB expense in future years.

Operating and Nonoperating Revenue 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.

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.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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.

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.

Income Taxes

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources 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.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

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

Unrestricted Net Position – All other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

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

NOTE 2 CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Authority's proprietary fund does not have a formal policy for custodial credit risk.

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.

At December 31, 2021, the Authority's enterprise fund book balance of cash was \$10,974,784 and the bank balance was \$11,232,139 and the Authority's Pension Trust Fund book balance of cash was \$144,500 and the bank balance was \$144,500.

The Authority's investments are 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.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The investments held in the Pension Trust Fund are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. All investments of the Plan are held in a trust account with a financial institution that has been established to hold plan assets. The financial institution's accounts are insured by Securities Investor Protection Corporation (SIPC). The concerned financial institution has also obtained additional protection for the remaining net equity balance. The following was the board's adopted asset allocation policy as of December 31, 2021:

Asset Class	Target Allocation
US Large Cap Equity	30.00 %
International Equity	20.00
Fixed Income	50.00
Absolute Return	-
Total	<u>100.00 %</u>

As of December 31, 2021, the Pension Trust Fund had the following investments and maturities:

Type of Investments	Fair Value	Average Duration in Years	Credit Rating
Fixed Income Mutual Funds:			
PIMCO Investment Fund	\$ 712,080	1.2	Not Rated
PIMCO Investment Grade Corporate	864,439	7.6	Not Rated
Dodge & Cox Income Fund	788,143	5.0	A+
Total Fixed Income Mutual Funds	<u>2,364,662</u>		
Absolute Return Funds:			
Columbia Adaptive Risk Allocation Fund	<u>3,029,647</u>	N/A	N/A
Total Absolute Return Funds	<u>3,029,647</u>	N/A	N/A
Equity Mutual Funds:			
Vanguard 500 Index Fund	3,549,152		
Vanguard Total International Stock Index	1,395,043	N/A	N/A
Vanguard Dividend Growth Fund	3,577,846	N/A	N/A
Vanguard Small Cap Index	<u>1,448,257</u>	N/A	N/A
Total Equity Mutual Funds	<u>9,970,298</u>	N/A	N/A
Money Market:			
Goldman Sach Fin Sq Tr	<u>2,001</u>		
Total Investments	<u>\$ 15,366,608</u>	N/A	N/A

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NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

The Pension Trust Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increased interest rates.

Concentration of Credit Risk

The Pension Trust Fund did not hold any investments (other than those investments in mutual funds) in any one issuer that represented 5% or more of total investments.

Credit Risk

The Pension Trust Fund minimizes credit risk by following these guidelines for fixed income securities:

1. The fixed income portfolio shall comply with the following guidelines:
 - a. The average credit quality of the bond portfolio shall be "A" or higher.
 - b. The duration of the fixed income portfolio should be less than 135% of the duration of the market index. The market index is defined as the Barclays Capital Aggregate Bond Index.
2. Investments in all corporate fixed income securities shall be limited to:
 - a. those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio.
 - b. securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.
 - c. no more than 10% at cost of an investment managers' total fixed income portfolio shall be invested in the securities of any single corporate issuer.
3. Collateralized Mortgage Obligations (CMOs) shall be limited to 15% of the market value of the investment managers' total fixed income portfolio. Residential private security CMOs are prohibited. Agency CMOs may be purchased without restriction.
4. Futures contracts may be used on a non-levered basis for duration adjustment and yield curve positioning purposes.
5. There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.

Money-Weighted Rate of Return

For the year ended December 31, 2021 the money-weighted rate of return, net of investment expenses and adjusted for the changing amounts actually invested, for the Plan was 15.3%.

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NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Foreign Currency Risk

This risk relates to the potential, unfavorable fluctuation of exchange rates compared with the U.S. Dollar. The Plan did not have exposure to foreign currency risk as of December 31, 2021 and 2020.

The Plan recognizes the value of global diversification and investments in foreign securities shall be limited to 25% (at market) of the total investment portfolio. The Board may achieve diversification in foreign equity through commingled fund or institutional mutual fund vehicles. These pooled investments are considered an investment in foreign securities.

American Depositary Receipts (ADRs) and foreign ordinary securities traded on domestic exchanges are United States dollar-denominated securities listed and traded on a United States exchange and are considered part of the ordinary investment strategy of the Board. These securities are not considered foreign securities and may be purchased by separate account managers without limitation.

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1 – Investments reflect prices quoted in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include input in markets that are not considered to be active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Investments reflect prices based upon unobservable sources.

Investments whose values are based on quoted market prices in active markets, and are therefore classified as Level 1, primarily include those assets that are traded daily in public markets in the United States. The fair value of these investments is based on the last reported sales price on the last day of the fiscal year.

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NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Investments that trade in markets that are not considered to be actively traded on a daily basis, but are valued based on quoted market prices, dealer and broker quotations, bid prices, or alternative pricing sources using observable inputs, are classified within Level 2. Inputs used in fair value measurement should be consistent with the inputs that market participants would use in pricing the asset or liability. These include U.S. Government obligations, investment grade corporate bonds, and bank loans, certain mortgage and asset backed securities, less liquid listed securities and certain government agency securities. For example, inputs other than quoted prices, which provide a reasonable basis for fair value determination may include interest rates and yield curves, volatilities, prepayment speeds, credit risks and default rates. The fair value of these investments is based upon the last reported observable input(s) on the last day of the fiscal year.

Investments classified Level 3 have significant unobservable inputs, as they traded infrequently or not at all. Level 3 investments include private equity funds, real estate investment, limited partnerships, certain mortgages and asset backed and common and collective trust funds that are primarily real estate. The fair value of these investments is determined by estimations provided by independent pricing sources in asset classes, nonbinding prices from industry vendors and managers, and the net asset value on the last day of the fiscal year.

	Fair Value Measurements			December 31, 2021
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments Measured by Fair Value Level				
Vanguard 500 Index Fund	\$ 3,549,152	\$ -	\$ -	\$ 3,549,152
Vanguard Total International Stock Index	1,395,043	-	-	1,395,043
Columbia Adaptive Risk Allocation Fund	3,029,647	-	-	3,029,647
Vanguard Dividend Growth Fund	3,577,846	-	-	3,577,846
Vanguard Small Cap Index	1,448,257	-	-	1,448,257
PIMCO Investment Fund	712,080	-	-	712,080
PIMCO Investment Grade Corporate	864,439	-	-	864,439
Dodge & Cox Income Fund	788,143	-	-	788,143
Goldman Sach Fin Sq Tr	2,001	-	-	2,001
Total Investments by Fair Value Level	<u>\$ 15,366,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,366,608</u>

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NOTE 3 ACCOUNTS RECEIVABLE

As of December 31, 2021, the Proprietary Fund accounts receivable consisted of the following:

	<u>Amount</u>
Tenant Accounts Receivable:	
Dwelling Rents	\$ 139,393
Allowance for Doubtful Accounts - Dwelling Rents	<u>(34,843)</u>
Net Tenant Accounts Receivables	104,550
Amounts Due from Other Governments:	
U.S. Department of Housing and Urban Development	117,524
Other Governments	1,190,435
Due from Fiduciary Fund	<u>19,691</u>
Total Amounts Due from Other Governments	1,327,650
Accounts Receivable - Miscellaneous	<u>14,621</u>
Total Receivables	<u><u>\$ 1,446,821</u></u>

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NOTE 4 CAPITAL ASSETS

The changes in capital assets for the year ended December 31, 2021 were as follows:

	Beginning Balance	Additions	Deletions	Other Adjustments	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 11,523,552	\$ 3,640,000	\$ -	\$ -	\$ 15,163,552
Construction in Progress	1,066,653	3,975,601	(15,000)	-	5,027,254
Total Nondepreciable Capital Assets	12,590,205	7,615,601	(15,000)	-	20,190,806
Depreciable Capital Assets:					
Buildings	86,975,158	-	-	-	86,975,158
Infrastructure	1,206,645	-	-	-	1,206,645
Administrative Equipment	2,267,205	145,097	(218,657)	-	2,193,645
Total Depreciable Capital Assets	90,449,008	145,097	(218,657)	-	90,375,448
Accumulated Depreciation:					
Buildings	36,699,479	1,924,132	-	-	38,623,611
Infrastructure	526,665	29,213	-	-	555,878
Administrative Equipment	1,573,957	176,628	(159,796)	-	1,590,789
Total Accumulated Depreciation	38,800,101	2,129,973	(159,796)	-	40,770,278
Total Capital Assets, Being Depreciated, Net	51,648,907	(1,984,876)	(58,861)	-	49,605,170
Capital Assets, Net	<u>\$ 64,239,112</u>	<u>\$ 5,630,725</u>	<u>\$ (73,861)</u>	<u>\$ -</u>	<u>\$ 69,795,976</u>

On November 3, 2011, the Authority leased land to the Habitat for Humanity by entered into a 99-year lease of a parcel of land in Key West, Florida. The land is recorded at a cost of \$775,000.

NOTE 5 CHANGES IN LONG-TERM LIABILITIES

The Authority has several notes and bond issues outstanding as of December 31, 2021. These obligations represent fixed liabilities of the concerned projects. In addition, the Authority has a liability for compensated absences, Other Postemployment Benefits (OPEB) (Note 8), and net pension liability (see Note 7). The following is a summary of the changes in all such liabilities for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings:					
Revenue Notes	\$ 41,461,506	\$ -	\$ (934,197)	\$ 40,527,309	\$ 1,616,808
Notes Payable	4,951,484	5,514,448	(88,607)	10,377,325	92,740
Compensated Absences	486,262	26,876	(316,191)	196,947	19,694
Total	<u>\$ 46,899,252</u>	<u>\$ 5,541,324</u>	<u>\$ (1,338,995)</u>	<u>\$ 51,101,581</u>	<u>\$ 1,729,242</u>

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NOTE 6 REVENUE NOTES AND NOTES PAYABLE

COCC Loan – Eisenhower Land

The Authority entered into two mortgage notes on November 3, 2011, which are noninterest-bearing and nonamortizing.

The mortgage notes were issued by Monroe County Comprehensive Plan Land Authority in the principal amounts of \$225,000 and \$550,000. The principals will be forgiven on November 3, 2041 if the covenants of the agreement are met. There is no indication of collateral based on review of mortgage statements; however, certain affordability requirements are required in accordance with loan agreement.

Business Activity Loan

On April 26, 2018, the Authority entered into an inter-company loan between the Jack T. Murray Senior Housing Complex and the Poinciana Apartments in the amount of \$382,572. The proceeds of which were used to retire the HOME Loan. The outstanding balance as of December 31, 2021 is \$45,696.

Affordable Housing Programs

Key Plaza Site B

On November 24, 2009, the Authority entered into a mortgage with Monroe County Comprehensive Plan Land Authority in the principal amount of \$1,500,000 in order to acquire the housing complex known as Key Plaza Site B. The note is noninterest-bearing and is due on November 1, 2034. The note is collateralized by the land.

On November 1, 2009, the Authority issued a Housing Revenue Bond, Series 2009 to a local banking institution in the principal amount of \$2,900,000 in order to demolish the existing structures and construct new rental units on the site. The Authority granted a first mortgage to the bank to collateralize the bond with the underlying land, project improvements, and property located on the land. The bond bears interest at 4.00% for the construction period, in which only interest payments are due. Then interest and principal payments are payable at 4.00% for the next two years. The interest rate will be adjusted to 4.75% for the next three years. At the end of the seventh year, the bank at its sole discretion, may permit the interest to remain unchanged for any consecutive one-year period or offer the borrower a new interest. If the Authority does not agree to the new interest rate the Authority must pay off the loan within six months of the offer. The bond will be amortized over 25 years with a maturity date of November 1, 2035. The current interest rate of the bond is 3.50% and the outstanding balance as of December 31, 2021 is \$1,200,930.

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NOTE 6 REVENUE NOTES AND NOTES PAYABLE (CONTINUED)

Affordable Housing Programs (Continued)

Roosevelt Gardens

On April 1, 2012, the Authority entered into a Commercial Real Estate Loan in the principal amount of \$9,395,000 in order to refinance a Multifamily Housing Revenue Note. The loan bears interest at 4.00%.

Principal and interest payments are based on a 25-year amortization schedule. A 10-year call exists at which time the loan's interest rate will be renegotiated. If a new rate is not agreed upon, the loan will become payable and due. The notes are collateralized by the land, project improvements and property located on the land. The outstanding balance as of December 31, 2021 is \$6,796,112.

Poinciana Complex

On January 6, 2004, the Authority also issued a second mortgage note to Monroe County Comprehensive Plan Land Authority in the principal amount of \$2,210,000 in order to facilitate the acquisition of the Poinciana Complex. During fiscal year 2015, the Authority allocated 2.01 acres of the 21.61 acres to Poinciana Gardens Senior Living Facility. This land and the associated loan balance is valued at \$210,262 and the remaining 19.60 acres was allocated to the Poinciana Complex and is valued at \$1,999,738. The note is noninterest-bearing and is due on January 6, 2034. The note is collateralized by the land, project improvements and property located on the land. The primary terms relate to operating the complex for affordable housing purposes by renting the units to low-income families.

On May 7, 2014, the Authority refunded the Authority's Housing Revenue Note Series 2003, which was used to acquire the housing complex known as Poinciana, with Multifamily Housing Revenue Refunding Note Series 2014A (\$10,000,000) and 2014B (\$2,000,000) (taxable). The Multifamily Housing Revenue Refunding Note Series 2014A has a 3.5% interest rate and is amortized over a 20-year basis with a 10-year maturity date. The Multifamily Housing Revenue Refunding Note Series 2015B is a taxable revenue note with an interest rate of 5.3%, amortized over a 20-year basis with a 10-year maturity date. The outstanding balance as of December 31, 2021 is \$7,059,986 for the 2014A and \$1,488,295 for the 2014B.

Washington Street

On July 6, 2010, the Authority acquired a 16-unit multifamily complex through the issuance of its Multifamily Housing Revenue Bonds, Series 2010 to a local banking institution in the principal amount of \$1,759,000. The bond bears interest at 4.50% and the principal is to be amortized over 20 years. The bond is due on August 1, 2030. In addition, the Authority borrowed \$1,636,000 (two notes) from the Monroe County Comprehensive Plan Land Authority in order to acquire the property. These loans do not bear interest and mature in 30 years. The entire loan balance for the second note (\$800,000) will be forgiven in 30 years provided that the property is not sold and maintained to serve low-income tenants. The outstanding balance as of December 31, 2021 is \$951,876 and \$1,636,000, respectively.

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NOTE 6 REVENUE NOTES AND NOTES PAYABLE (CONTINUED)

Affordable Housing Programs (Continued)

Poinciana Gardens Senior Living Facility

On September 1, 2015, the Authority issued Housing Revenue Note (Poinciana Gardens Senior Living Facility) Series 2015A for \$8,000,000 and Taxable Housing Revenue Note (Poinciana Gardens Senior Living Facility) Series 2015B for \$13,500,000. The proceeds from this note were used to pay for the cost of construction of a senior living facility and pay the costs of issuing the Note. The Series 2015A note has an interest rate of 2.9%, with interest payments beginning on November 1, 2015 and principal and interest payments beginning on November 1, 2018 based on a 28-year amortization schedule. The Series 2015B note has an interest rate of 4.74%, with interest payments beginning on November 1, 2015 and principal and interest payments beginning on November 1, 2018 based on a 28-year amortization schedule. The maturity date of these notes is October 1, 2045.

On December 13, 2016, the Authority refinanced \$10,000,000 of the Series 2015B. The Series 2016 Note has an interest rate of 2.90% with interest only beginning the date of issuance for approximately 10 months. Principal and interest payments beginning November 1, 2018 with a 28-year amortization commence immediately following the interest only period. As of December 31, 2021, the outstanding balance of the 2015A Note is \$7,589,808 and \$1,230,468 for the 2015B Note and \$9,491,380 for Series 2016. In 2015, the Authority allocated 2.01 of the 21.61 acres to Poinciana Gardens Senior Living Facility. The land and associated loan is recorded at \$210,262 as of December 31, 2021.

On October 24, 2017, the Authority entered into a \$2,216,644 Housing Revenue Note (Series 2017) with a local banking institution. The proceeds from this note were used to pay for the cost of construction of a senior living facility and then pay the costs of issuing the note. The note is a tax-exempt note and bears a 2.90% interest rate. The initial 10 months the note shall be interest only, which interest accrues on the principal amount outstanding. Then commencing on November 1, 2018, payments of principal and interest shall be due and payable based on a 27-year amortization period. The note is collateralized by the senior living facility. An agreement signed on February 16, 2021 deferred the payments from January 1, 2021 through and including December 31, 2021. The outstanding balance as of December 31, 2021 is \$2,102,347.

Jack T. Murray Senior Housing Complex

On April 1, 2018, the Authority entered into a \$1,500,000 Multifamily Housing Revenue Note (Series 2018) with a local banking institution. The proceeds from this note were used to retire the HOME Loan that was provided by the Florida Housing Finance Corporation. The loan has an interest rate of 3.50% and a maturity date of May 1, 2028. The outstanding balance as of December 31, 2021 is \$1,357,974. The note is collateralized by the property.

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NOTE 6 REVENUE NOTES AND NOTES PAYABLE (CONTINUED)

Affordable Housing Programs (Continued)

Garden View Apartments (Development)

On October 14, 2021, the Authority entered into a mortgage and note for the development of the Garden View Apartments.

The Authority entered into a nonrevolving construction loan with a commercial banking institution in the amount of \$9,212,084. The proceeds will fund the construction of the Development. The loan will be interest-only during the first 24 months, with monthly principal and interest payments due after based on a 30-year amortization. The entire outstanding balance of the loan due and payable in full at the end of the 96th month following the start of the principal and interest period. The interest rate for the loan during the construction period will be a fixed rate of 2.61%. The outstanding balance as of December 31, 2021 is \$50,001.

The Authority also entered into an agreement with the Florida Housing Finance Corporation for \$11,600,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) grant funds. The note is nonamortizing and noninterest-bearing for a term of 20 years. The note will not require payment for as long as the Development remains in compliance and will be forgiven after 20 years. The outstanding balance as of December 31, 2021 is \$5,464,447.

As of December 31, 2021, annual debt service requirements of business-type activities to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Notes from Direct Borrowings and Direct Placements</u>			
	<u>Revenue Notes</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,616,808	\$ 1,295,091	\$ 92,740	\$ 41,479
2023	1,633,529	1,241,455	97,058	37,161
2024	8,519,525	1,059,335	101,577	113,661
2025	1,244,865	882,446	106,306	27,912
2026	1,062,964	846,506	111,256	22,963
2027-2031	6,711,850	3,526,389	1,992,940	38,009
2032-2036	9,907,953	2,331,576	-	-
2037-2041	4,730,464	1,144,714	7,875,448	-
2042-2046	5,099,351	368,357	-	-
Thereafter	-	-	-	-
Total	<u>\$ 40,527,309</u>	<u>\$ 12,695,869</u>	<u>\$ 10,377,325</u>	<u>\$ 281,185</u>

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NOTE 7 RETIREMENT PLAN

The Authority has a single employer defined benefit pension plan, Retirement System for Employees of The Housing Authority of the City of Key West, Florida (the Pension Plan), that is administered by the Authority. All full-time employees of the Authority shall become members of the pension plan immediately upon employment.

The Authority issues a publicly available financial report that includes financial statements and required supplementary information for Retirement System for Employees of The Housing Authority of the City of Key West, Florida. The financial report can be obtained by contacting the Authority at the following address:

The Housing Authority of the City of Key West, Florida
1400 Kennedy Drive
Key West, Florida 33045

The Authority has the ability to amend the provisions of the Pension Plan.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	49
Inactive Plan Members Entitled to But Not Yet	
Receiving Benefits	14
Active Employees	<u>53</u>
Total	<u><u>116</u></u>

Benefits

The Pension Plan provides retirement, termination, disability, and death benefits.

Normal Retirement Benefits – Normal retirement benefits are payable to every member who has achieved age 60 and five years of credited service or has attained 30 years of credited service regardless of age. Benefit payments shall commence on the first day of the month after termination of service. Credited service is the total years of continuous employment. No member may receive more than 35 years of credited service and shall be credited in full or partial years.

The normal retirement benefit is determined based on the member's average final compensation (the average of the base pay received by a member during the highest five of the last 10 years of service immediately prior to termination of service. The benefit is determined by applying an amount equal to one and eighty-five one hundredths percent (1.85%) of average final compensation times years of credited service.

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NOTE 7 RETIREMENT PLAN (CONTINUED)

Benefits (Continued)

Early Retirement Benefits – Early retirement benefits are equal to 1.85% of the average final compensation times years of credited service times the member's vested percentage. The termination benefit shall be paid to a member beginning the first day of the month after the later of (i) the date the member attains age 60 or (ii) the date of the member's termination of service occurs after the member has (i) attained age 55 with 15 years of credited service or (ii) attained 20 years of credited service, regardless of age, may elect, instead, to receive a reduced amount beginning on the first day of the month following his termination of service which is equal to his termination of retirement benefit reduced by 5% for each year the benefit is to be paid prior to the date the member would have attained age 60.

Disability Benefits – Each member who becomes disabled, after having at least five years of credited service, may, upon application and proof of disability, evidenced by the proof of a final determination of disability by the Social Security Administration, receive a disability retirement benefit instead of a termination retirement benefit. These benefits shall be an amount equal to the greater of (i) 1.85% of average actual base pay paid to the member for the three years immediately preceding disability, multiplied by the member's years of credited service or (ii) twenty percent (20%) of the average actual base pay paid to the member for the three years immediately preceding disability. This benefit shall be paid regardless of whether the disability was service connected.

Death Benefits – If a member dies and workers' compensation death benefits become payable, the surviving spouse, if any, or if none then the member's children under the age of 19 shall be paid a benefit as follows:

The surviving spouse shall be paid an annual benefit equal to 75% of the projected retirement benefit which such member would have received had they continued employment until their normal retirement date at their current rate of pay. A spouse with children under 19 years of age shall receive 100% of the projected retirement benefit such member would have received. The benefit shall cease if the surviving spouse remarries.

If the member is survived by any child who is under 19 years of age, the surviving spouse, or if none or if the spouse later dies, then the children under age 19 shall be paid an annual benefit equal to the full normal retirement benefit the member would have received if they had continued as an employee at the same rate of pay in effect at death until they would have first become eligible for a normal retirement benefit. When the member's youngest living child attains the age of 19, then the benefit to the member's surviving spouse shall be reduced to 75% of the normal retirement benefit.

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NOTE 7 RETIREMENT PLAN (CONTINUED)

Benefits (Continued)

Deferred Retirement Option Program (DROP) – Employees become eligible for DROP upon satisfaction of early or normal retirement requirements. Participation in DROP may not exceed five years. Members who are eligible for normal retirement prior to October 1, 2016 are credited with interest at the rate of 8%, compounded annually while in DROP and then at actual rate earned by the Plan (less a nominal handling fee) after the member separates from service. Members who are not eligible for normal retirement prior to October 1, 2016 are credited with interest at the valuation interest rate while in DROP and then at the actual rate earned by the Plan (less a nominal handling fee) after the member separates from service. Members who entered DROP prior to November 10, 2003 are credited with interest at the rate of 8% while in DROP and after the member separates from service.

The DROP balance as of December 31, 2021 is \$1,895,363.

Contributions

The Authority contributes a percentage of basic annual compensation for its permanent employees equal to the actuarially determined minimum contribution divided by the annual payroll of active employees for the prior year. Pension Plan members shall not make any contributions to the Pension Plan. Contribution requirements of the Authority are established and may be amended by the Authority's Board of Commissioners. The contribution rate was 12.8% for the year ended December 31, 2021. During the current year, the Authority adjusted its contribution for actual payroll paid during the year.

Net Pension Liability

The Authority's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 updated to December 31, 2021.

Actuarial assumptions: The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	Aged Based
Discount Rate	6.75%
Investment Rate of Return	6.75%

All mortality rates were based on PubG.H-2010 for Males and Females, as appropriate. All rates are projected generationally with Mortality Improvement Scale MP-2018.

The most recent actuarial experience study used to review the other significant assumption was performed in 2018.

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DECEMBER 31, 2021

NOTE 7 RETIREMENT PLAN (CONTINUED)

Net Pension Liability (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class (see Note 2). These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	4.42%
International Equity	4.91%
Fixed Income	3.10%
Cash	1.00%

Discount rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 RETIREMENT PLAN (CONTINUED)

Net Pension Liability (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2020	\$ 13,368,467	\$ 13,720,129	\$ (351,662)
Changes for the Year			
Service Cost	289,583	-	289,583
Interest	959,233	-	959,233
Difference Between Expected and Actual Experience	(111,251)	-	(111,251)
Changes of benefit terms	879,771	-	879,771
Contributions - Employer	-	412,134	(412,134)
Net Investment Income	-	2,080,417	(2,080,417)
Benefit Payments, Including Refunds of Employee Contributions	(654,116)	(654,116)	-
Administrative Expenses	-	(63,409)	63,409
Net Changes	1,363,220	1,775,026	(411,806)
Balance at December 31, 2021	<u>\$ 14,731,687</u>	<u>\$ 15,495,155</u>	<u>\$ (763,468)</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Authority, calculated using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Discount Rate		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$ 845,198	\$ (763,468)	\$ (2,093,152)

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 RETIREMENT PLAN (CONTINUED)

Net Pension Liability (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Authority recognized pension expense of \$654,116. At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 42,057	\$ 147,958
Changes of Assumptions	159,999	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,543,080
Total	<u>\$ 202,056</u>	<u>\$ 1,691,038</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ (250,712)
2023	(650,725)
2024	(332,374)
2025	(255,171)
Total	<u>\$ (1,488,982)</u>

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Housing Authority's Retiree Health Care Plan (HARHCP) is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the Housing Authority. The OPEB Plan, which is administered by the Authority, allows employees who retire and meet retirement eligibility requirements under the Authority's retirement plan to continue medical coverage as a participant in the Authority's Health Insurance Plan.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries, Currently Receiving Benefits	6
Active Plan Members	<u>64</u>
Total	<u><u>70</u></u>

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Benefits

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage at the cost of the retiree. All employees of the Authority are eligible to receive postemployment health care benefits. Employees who retire from the Authority who meet certain criteria are eligible for a fully subsidized premium for the retiree until Medicare eligible. The retiree is responsible for any health-related coverage for spouses and eligible dependents. Certain retirees are eligible for an additional Medicare Supplement benefit upon Medicare eligibility.

Net OPEB Liability

The Authority's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial assumptions: The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Varies by Service
Discount Rate	2.25%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	53

Mortality rates were based on the Mortality Improvement Scale MP-2018. For female lives, PubG.H-2010 (Below Median) for Employees, Scale MP-2018 was used. For male lives, PubG.H-2010 (Below Median) for Employees, set back one year, Scale MP-2018 used. For disabled lives, PubG.H-2010 (Below Median) for Employees, set forward three years, was used.

Discount rate: Given the Housing Authority's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.25%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

The discount rate changed from 1.93% as of December 31, 2020 to 2.25% as of December 31, 2021. Also reflected as assumption changes are updated health care costs and premiums, updated health care cost trend rates, and updated mortality rates.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Total OPEB Liability (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balance at December 31, 2020	\$ 1,440,497
Changes for the Year	
Service Cost	53,881
Interest	28,185
Differences Between Expected and Actual Experience	18,512
Changes in Assumptions	(192,971)
Contributions - Employer	-
Benefit Payments	(68,373)
Administrative Expenses	-
Net Changes	(160,766)
Balance at December 31, 2021	\$ 1,279,731

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the Net OPEB Liability of the Authority, as well as what the Authority's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower (1.25%) or one percentage-point higher (3.25%) than the current discount rate:

	Discount Rate		
	1% Decrease (1.25)%	Current (2.25)%	1% Increase (3.25)%
Net OPEB liability	\$ 1,508,231	\$ 1,279,731	\$ 1,100,283

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the Net OPEB Liability of the Authority, as well as what the Authority's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower (3.00 to 6.50%) or one percentage-point higher (5.00 to 8.50%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (3.00 - 6.50)%	Current (4.00-7.50)%	1% Increase (5.00-8.50)%
Net OPEB liability	\$ 1,251,745	\$ 1,279,731	\$ 1,312,556

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Total OPEB Liability (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Authority recognized OPEB expense of \$95,618.

On December 31, 2021, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 245,796	\$ -
Changes of Assumptions	230,537	408,954
Total	<u>\$ 476,333</u>	<u>\$ 408,954</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2022	\$ 13,552
2023	13,552
2024	5,280
2025	21,472
2026	21,472
Thereafter	(7,949)

NOTE 9 RESTRICTED NET POSITION

Net position was restricted for the following purposes as of December 31, 2021:

	Amount
Other Business Activities Deposits	\$ 125,844
HAP Equity	60,627
Emergency Housing Voucher Program	133,431
Community Development Block Grant - Construction Funds	3,883,699
Total Restricted Net Position	<u>\$ 4,203,601</u>

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 RELATED PARTY TRANSACTIONS

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

	As of December 31, 2021		For Year Ended December 31, 2021	
	Due From	Due To	Management Fees	Bookkeeping Fees
City of Key West, Florida	\$ 114,795	\$ 142,804	\$ -	\$ -
Monroe County Housing Authority	603,285	-	235,099	21,148
Monroe County Housing Corporation, Inc.	-	3,603	(32,522)	-
Marathon Housing Associates, LTD.	449,386	-	-	-
Total	<u>\$ 1,167,466</u>	<u>\$ 146,407</u>	<u>\$ 202,577</u>	<u>\$ 21,148</u>

NOTE 11 COMMITMENTS, CONTINGENCIES, RISKS AND UNCERTAINTIES

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.

Government grants require the fulfillment of certain conditions as set forth in laws, rules, 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.

NOTE 12 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.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 ECONOMIC DEPENDENCY (CONTINUED)

The table below shows the revenue allocation by activity for the year ended December 31, 2021.

	<u>Total Revenue</u>	<u>Percentage of Total Revenue</u>
Revenue from HUD		
Section 8 Housing Choice Voucher - HAP	\$ 3,362,067	15.78 %
Section 8 Housing Choice Voucher - Administrative	270,200	1.27
Section 8 Housing Choice Voucher - CARES Act	64,438	0.30
Public and Indian Housing	289,278	1.36
Capital Fund Program	946,946	4.45
Emergency Housing Voucher - HAP	162,545	0.76
Emergency Housing Voucher - Admin	72,628	0.34
Total HUD Funding	<u>5,168,102</u>	<u>24.26</u>
Non-HUD Funding		
Tenant Rental Revenue, Net of Bad Debt	10,460,972	49.11
Tenant Revenue Other	315,405	1.48
Other Government Grants	4,490,000	21.08
Other Revenue	851,290	3.99
Investment Income (Unrestricted)	8,108	0.04
Investment Income (Restricted)	132	-
Gain/Loss on Sale	8,227	0.04
Total Non-HUD Funding	<u>16,134,134</u>	<u>75.74</u>
Total Revenue	<u><u>\$ 21,302,236</u></u>	<u><u>100.00 %</u></u>

NOTE 14 INTERLOCAL AGREEMENT

On January 20, 2021, the Authority entered into an Interlocal Agreement with Monroe County (the County), a political subdivision of the state of Florida, and the City of Key West (the City), a municipal corporation of the state of Florida. The Authority constructed an Adult Assisted Living Facility (ALF) known as Poinciana Gardens at the City's request. There have been discussions of the County eventually taking over ownership and operation of Poinciana Gardens, but in the interim the County and City have committed to providing funds for the continued operation of Poinciana Gardens. The Authority will be solely responsible for the operation, management, and administration of the Poinciana Gardens ALF.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15 INTERLOCAL AGREEMENT (CONTINUED)

The original term of the loan was for one year, beginning October 1, 2020 and terminating on September 30, 2021. The County and City will each pay to the Authority \$400,000 for ALF operations during the fiscal year 2021, made in monthly 1/12 increments. The term of the agreement was extended through September 30, 2024. The County will provide \$1,800,000 payable at \$600,000 per year to the Authority. The Authority may make a request to exceed the \$600,000 per year but shall not exceed \$1,800,000 over the three-year term. The City will pay up to \$400,000 during the City's fiscal year 2022, up to \$300,000 during the City's fiscal year 2023, and up to \$200,000 during the City's fiscal year 2024 to the Authority as needed. Both the County and City's payments will be made in 1/12 monthly increments. If additional funding is required, the Authority will contribute up to \$200,000 per year towards the ALF operations. During the year ended December 31, 2021, the Authority received \$850,000 from the County and City.

NOTE 16 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 September 2, 2022 (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 Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 289,583	\$ 238,090	\$ 227,802	\$ 224,727	\$ 193,005	\$ 254,915	\$ 223,158	\$ 209,477
Interest	959,228	881,172	846,072	827,611	836,436	785,234	714,968	699,929
Changes of Benefit Terms	879,771	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(111,251)	70,094	(90,357)	(114,078)	(719,162)	(70,582)	(152,973)	28,621
Changes of Assumptions	-	93,725	-	518,812	266,784	279,907	14,586	-
Benefit Payments, Including Refunds of Member Contributions	(654,110)	(529,422)	(455,308)	(361,122)	(372,272)	(265,544)	(275,901)	(347,169)
Net Change In Total Pension Liability	1,363,221	753,659	528,209	1,095,950	204,791	983,930	523,838	590,858
Total Pension Liability - Beginning	13,368,466	12,614,807	12,086,598	10,990,648	10,785,857	9,801,927	9,278,089	8,687,231
Total Pension Liability - Ending (A)	\$ 14,731,687	\$ 13,368,466	\$ 12,614,807	\$ 12,086,598	\$ 10,990,648	\$ 10,785,857	\$ 9,801,927	\$ 9,278,089
Plan Fiduciary Net Position								
Contributions - Employer	\$ 412,134	\$ 384,699	\$ 363,806	\$ 266,301	\$ 419,198	\$ 2,551,364	\$ 464,186	\$ 457,983
Net Investment Income	2,041,606	1,385,303	2,203,014	(795,590)	1,380,673	546,206	(95,095)	341,879
Benefit Payments, Including Refunds of Member Contributions	(654,116)	(532,160)	(455,308)	(361,123)	(372,272)	(265,544)	(275,901)	(347,169)
Administrative Expense	(24,597)	(25,170)	(23,598)	(23,438)	(24,782)	(60,250)	(21,870)	(17,241)
Net Change in Plan Fiduciary Net Position	1,775,027	1,212,672	2,087,914	(913,850)	1,402,817	2,771,776	71,320	435,452
Plan Fiduciary Net Position - Beginning	13,720,128	12,507,456	10,419,542	11,333,392	9,930,575	7,158,799	7,087,479	6,652,027
Plan Fiduciary Net Position - Ending (B)	\$ 15,495,155	\$ 13,720,128	\$ 12,507,456	\$ 10,419,542	\$ 11,333,392	\$ 9,930,575	\$ 7,158,799	7,087,479
Net Pension Liability (Asset) - Ending (A) - (B)	\$ (763,468)	\$ (351,662)	\$ 107,351	\$ 1,667,056	\$ (342,744)	\$ 855,282	\$ 2,643,128	\$ 2,190,610
Plan Fiduciary Net Position as a Percentage of the								
Total Pension Liability	105.18%	102.63%	99.15%	86.21%	103.12%	92.07%	73.03%	76.39%
Covered Payroll	\$ 3,182,499	\$ 3,077,591	\$ 2,880,875	\$ 2,868,610	\$ 2,873,176	\$ 3,073,967	\$ 2,680,502	\$ 2,539,765
Net Pension Liability as a Percentage of Covered								
Payroll	-23.99%	-11.43%	3.73%	58.11%	-11.93%	27.82%	98.61%	86.25%

*Additional years will be added to this schedule annually until 10 years of data is presented.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS* (CONTINUED)**

Notes to Schedule of Changes in Net Pension Liability and Related Ratios

2021 Change of Assumptions

Benefit Changes –

For measurement date 12/31/2021, the following benefit changes have been implemented pursuant to Resolution #21-2575:

1. For every member that retires on or after January 1, 2022, the annual Normal Retirement Benefit shall be two (2%) percent of Average Final Compensation times years of Credited Service.
2. Effective January 1, 2022, all current and future retirees shall be entitled to an annual two (2%) percent cost-of-living adjustment (COLA).

2020 Change of Assumptions

Benefit Changes – None

For measurement date 12/31/2020, as mandated by chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees. In addition, the investment rate of return assumption was lowered from 7.00% to 6.75%, net of investment related expenses.

2019 Change of Assumptions

Benefit Changes – None

2018 Change of Assumptions

For measurement date 12/31/2018, amounts reports as changes in assumptions resulted from an experience study dated September 19, 2018, the following assumptions were changed:

- The investment rate return was lowered from 7.50% to 7.00%.
- The salary increase changed from flat-rate to an age-based table.
- The normal retirement rates were modified to more closely match the experience.
- Early retirements are now valued separately from withdrawals, with a 5.0% probability at each age.
- The withdrawal rate was modified to more closely match the experience
- The disability rates were decreased by 50% at each age.

2017 Change of Assumptions

Benefit Changes – None

For measurement date 12/31/2017: amounts reported as changes of assumptions resulted from lowering the interest rate from 7.75% to 7.50% per year, compounded annually, net of investment related assumptions. Additionally, the inflation assumption rate was lowered from 3.25% to 3.00%, matching the long-term inflation assumption Plan's investment consultant.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS* (CONTINUED)**

2016 Change of Assumptions

Benefit Changes – None

For measurement date 12/31/2016: Mortality assumption rates updated

2015 Change of Assumptions

Benefit Changes – None

For measurement date 12/31/2015: Investment return updated from 8.00% to 7.75%; withdrawal rates, salary increase factors, retirement rates and administrative expense assumption updated.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS***

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2021	\$ 399,858	\$ 412,134	\$ (12,276)	\$ 31,824,499	12.95%
12/31/2020	377,505	384,699	(7,194)	3,077,591	12.50%
12/31/2019	363,806	363,806	-	2,880,875	12.63%
12/31/2018	266,301	266,301	-	2,868,610	9.28%
12/31/2017	256,675	419,196	(162,521)	2,873,176	14.59%
12/31/2016	568,684	2,551,364	(1,982,680)	3,073,967	83.00%
12/31/2015	464,186	464,186	-	2,680,502	17.32%
12/31/2014	441,143	457,983	(16,840)	2,539,765	18.03%

*Additional years will be added to this schedule annually until 10 years of data is presented.

Notes to Schedule of Contributions

Valuation Date: Actuarially determined contributions are calculated using a valuation date as of the beginning of the plan year (each January 1st).

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal Actuarial Cost Method

Amortization Method: Future UAAL bases will be amortized over 15 years

Mortality: *Healthy Actives Lives:* Female: RP2000 Generational, 100% White Collar Combined Healthy, Scale BB, Male: RP2000 Generational, 50% White Collar Combined Healthy / 50% Blue Collar, Scale BB.

Healthy Inactive Lives: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB, Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue

Disabled Lives: Female: 100% RP2000 Disabled Female set forward two years, Male: 100% RP 2000 Disabled Male setback four years

Interest Rate: 7.00% per year, compounded annually, net of investment related assumptions

Salary Increase: Less than Age 35, 5.25%; Age 35 to 44, 3.75%; Age 45 and above, 3.25%

Future Cost of Living Adjustments: Future cost of living increases are assumed to be 1.5% per annum

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS*

	2021	2020	2019
Total OPEB Liability			
Service Cost	\$ 53,881	\$ 34,517	\$ 39,757
Interest	28,185	37,482	43,632
Difference between expected and actual experience	18,512	-	367,355
Changes of Assumptions	(192,971)	285,323	(306,443)
Benefit Payments	(68,373)	(63,603)	(43,477)
Net Change in total OPEB Liability (A)	(160,766)	293,719	100,824
Total OPEB liability - Beginning	1,440,497	1,146,778	1,045,954
Total OPEB liability - Ending	\$ 1,279,731	\$ 1,440,497	\$ 1,146,778
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 3,251,766	\$ 3,184,473	\$ 3,061,993
Net OPEB Liability as a Percentage of the Covered Employee Payroll	39.35%	45.24%	37.45%

*Additional years will be added to this schedule annually until 10 years of data is presented.

SUPPLEMENTARY INFORMATION

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Line Item No.	Account Description	Programs										Fiduciary Fund	Total	
		Project Totals	Resident Opportunities and Supportive Services	HOME Investments Partnerships Program	Section 8 Housing Choice Voucher Program	HCV CARES Act Funding	Community Development Block Grant	EHV Emergency Housing Voucher	Other Business Activities	Central Office Cost Center	Eliminations			Subtotal
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES														
CURRENT ASSETS														
Cash:														
111	Unrestricted	\$ 1,514,462	\$ -	\$ 92,902	\$ 373,164	\$ -	\$ -	\$ 71,685	\$ 3,066,817	\$ 1,157,582	\$ -	\$ 6,276,612	\$ 144,500	\$ 6,421,112
113	Other Restricted	-	-	-	60,627	-	3,883,699	133,431	125,844	-	-	4,203,601	-	4,203,601
114	Tenant Security Deposits	94,650	-	8,700	-	-	-	-	391,221	-	-	494,571	-	494,571
100	Total Cash	1,609,112	-	101,602	433,791	-	3,883,699	205,116	3,583,882	1,157,582	-	10,974,784	144,500	11,119,284
Accounts and Notes Receivables:														
122	Accounts Receivable - HUD Other Projects	117,524	-	-	-	-	-	-	-	-	-	117,524	-	117,524
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	22,969	1,187,157	-	1,210,126	-	1,210,126
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	10,978	-	-	3,643	-	14,621	-	14,621
126	Accounts Receivable - Tenants	73,504	-	264	-	-	-	-	65,625	-	-	139,393	-	139,393
126.1	Allowance for Doubtful Accounts Tenants	(24,883)	-	-	-	-	-	-	(9,960)	-	-	(34,843)	-	(34,843)
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	-	-	-	45,696	-	(45,696)	-	-	-
120	Total Receivables, Net	166,145	-	264	-	-	10,978	-	124,330	1,190,800	(45,696)	1,446,821	-	1,446,821
Investments:														
131	Unrestricted	-	-	-	-	-	-	-	-	-	-	-	15,366,608	15,366,608
	Total Investments	-	-	-	-	-	-	-	-	-	-	-	15,366,608	15,366,608
Other Current Assets:														
142	Prepaid Expenses and Other Assets	271,260	-	11,245	1,125	-	-	-	477,751	17,554	-	778,935	3,738	782,673
143	Inventories	-	-	-	-	-	-	-	-	138,933	-	138,933	-	138,933
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	(13,893)	-	(13,893)	-	(13,893)
144	Inter-Program - Due from Other Funds	-	-	-	-	-	-	-	-	116,976	(116,976)	-	-	-
	Total Other Current Assets	271,260	-	11,245	1,125	-	-	-	477,751	259,570	(116,976)	903,975	3,738	907,713
150	Total Current Assets	2,046,517	-	113,111	434,916	-	3,894,677	205,116	4,185,963	2,607,952	(162,672)	13,325,580	15,514,846	28,840,426
NONCURRENT ASSETS														
Capital Assets:														
161	Land	569,874	-	614,000	-	-	3,640,000	-	8,914,678	1,425,000	-	15,163,552	-	15,163,552
162	Buildings	30,965,038	25,000	1,613,350	-	-	-	-	54,282,885	88,885	-	86,975,158	-	86,975,158
164	Furniture, Equipment, and Machinery - Admin	1,165,143	83,446	9,618	69,964	-	-	-	446,065	419,409	-	2,193,645	1,349	2,194,994
166	Accumulated Depreciation	(23,311,364)	(108,446)	(932,579)	(22,621)	-	-	-	(16,023,777)	(371,491)	-	(40,770,278)	(1,349)	(40,771,627)
167	Construction in Progress	29,527	-	-	-	-	4,997,727	-	-	-	-	5,027,254	-	5,027,254
168	Infrastructure	77,026	-	24,136	-	-	-	-	1,105,483	-	-	1,206,645	-	1,206,645
160	Total Capital Asset, Net	9,495,244	-	1,328,525	47,343	-	8,637,727	-	48,725,334	1,561,803	-	69,795,976	-	69,795,976
Other Assets:														
174	Other Assets	229,027	-	7,182	22,875	-	-	-	183,384	321,000	-	763,468	-	763,468
180	Total Noncurrent Assets	9,724,271	-	1,335,707	70,218	-	8,637,727	-	48,908,718	1,882,803	-	70,559,444	-	70,559,444
190	Total Assets	11,770,788	-	1,448,818	505,134	-	12,532,404	205,116	53,094,681	4,490,755	(162,672)	83,885,024	15,514,846	99,399,870
200	Deferred Outflows of Resources	60,614	-	1,901	6,054	-	-	-	48,534	561,286	-	678,389	-	678,389
290	Total Assets and Deferred Outflows of Resources	\$ 11,831,402	\$ -	\$ 1,450,719	\$ 511,188	\$ -	\$ 12,532,404	\$ 205,116	\$ 53,143,215	\$ 5,052,041	\$ (162,672)	\$ 84,563,413	\$ 15,514,846	\$ 100,078,259

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

Line Item No.	Account Description	Programs										Eliminations	Subtotal	Fiduciary Fund	Total
		Project Totals	Resident Opportunities and Supportive Services	HOME Investments Partnerships Program	Section 8 Housing Choice Voucher Program	HCV CARES Act Funding	Community Development Block Grant	EHV Emergency Housing Voucher	Other Business Activities	Central Office Cost Center					
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION															
CURRENT LIABILITIES															
312	Accounts Payable ≤90 Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,264,825	\$ -	\$ 11,039	\$ 674,551	\$ -	\$ 1,950,415	\$ -	\$ 1,950,415	
321	Accrued Wages/Payroll Taxes Payable	20,274	-	725	1,618	-	68	-	33,083	17,443	-	73,211	-	73,211	
322	Accrued Compensated Absences - Current	8,110	-	379	475	-	-	-	5,211	5,519	-	19,694	-	19,694	
331	Accounts Payable - HUD PHA Programs	-	-	-	13,165	-	-	-	-	-	-	13,165	-	13,165	
333	Accounts Payable - Other Government	142,804	-	-	-	-	-	-	-	3,603	-	146,407	19,691	166,098	
341	Tenant Security Deposits	94,650	-	8,700	-	-	-	-	391,221	-	-	494,571	-	494,571	
342	Unearned Revenue	10,751	-	2,538	-	0	-	-	75,676	-	-	88,965	-	88,965	
343	Current Portion of LT Debt - Capital Projects	-	-	88,768	-	-	-	-	1,666,476	-	(45,696)	1,709,548	-	1,709,548	
345	Other Current Liabilities	-	-	-	-	-	196,382	-	-	1,847	-	198,229	-	198,229	
347	Inter-Program - Due to Other Funds	-	-	-	-	-	116,976	-	-	-	(116,976)	-	-	-	
310	Total Current Liabilities	276,589	-	101,110	15,258	-	1,578,251	-	2,182,706	702,963	(162,672)	4,694,205	19,691	4,713,896	
NONCURRENT LIABILITIES															
351	Long-Term Debt, Net of Current - Capital Projects	-	-	1,314,902	-	-	5,514,448	-	41,590,736	775,000	-	49,195,086	-	49,195,086	
354	Accrued Compensated Absences - Noncurrent	72,989	-	3,410	4,274	-	-	-	46,908	49,672	-	177,253	-	177,253	
357	OPEB and Pension Liabilities	-	-	-	-	-	-	-	-	1,279,731	-	1,279,731	-	1,279,731	
350	Total Noncurrent Liabilities	72,989	-	1,318,312	4,274	-	5,514,448	-	41,637,644	2,104,403	-	50,652,070	-	50,652,070	
300	Total Liabilities	349,578	-	1,419,422	19,532	-	7,092,699	-	43,820,350	2,807,366	(162,672)	55,346,275	19,691	55,365,966	
400	Deferred Inflows of Resources	507,282	-	15,907	50,667	-	-	-	406,185	1,119,951	-	2,099,992	-	2,099,992	
NET POSITION															
508.4	Net Investment in Capital Assets	9,495,244	-	(75,145)	47,343	-	2,926,897	-	5,468,122	786,803	45,696	18,694,960	-	18,694,960	
511.4	Restricted	-	-	-	60,627	-	3,883,699	133,431	125,844	-	-	4,203,601	-	4,203,601	
512.4	Unrestricted	1,479,298	-	90,535	333,019	-	(1,370,891)	71,685	3,322,714	337,921	(45,696)	4,218,585	15,495,155	19,713,740	
513	Total Net Position	10,974,542	-	15,390	440,989	-	5,439,705	205,116	8,916,680	1,124,724	-	27,117,146	15,495,155	42,612,301	
600	Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 11,831,402	\$ -	\$ 1,450,719	\$ 511,188	\$ -	\$ 12,532,404	\$ 205,116	\$ 53,143,215	\$ 5,052,041	\$ (162,672)	\$ 84,563,413	\$ 15,514,846	\$ 100,078,259	

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE
SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

Line Item No.	Account Description	Programs										Eliminations	Subtotal	Fiduciary Fund	Total	
		Project Totals	Resident Opportunities and Supportive Services	HOME Investments Partnerships Program	Section 8 Housing Choice Voucher Program	HCV CARES Act Funding	Community Development Block Grant	EHV Emergency Housing Voucher	Other Business Activities	Central Office Cost Center						
REVENUE																
70300	Net Tenant Rental Revenue	\$ 3,256,563	\$ -	\$ 279,064	\$ -	\$ -	\$ -	\$ -	\$ 6,973,709	\$ -	\$ -	\$ 10,509,336	\$ -	\$ 10,509,336		
70400	Tenant Revenue - Other	194,338	-	2,680	-	-	-	-	118,387	-	-	315,405	-	315,405		
70500	Total Tenant Revenue	3,450,901	-	281,744	-	-	-	-	7,092,096	-	-	10,824,741	-	10,824,741		
70600	HUD PHA Operating Grants	1,146,961	-	-	3,632,267	64,438	-	235,173	-	-	-	5,078,839	-	5,078,839		
70610	Capital Grants	89,263	-	-	-	-	-	-	-	-	-	89,263	-	89,263		
70710	Management Fee	-	-	-	-	-	-	-	-	1,180,813	(1,180,813)	-	-	-		
70720	Asset Management Fees	-	-	-	-	-	-	-	-	70,800	(70,800)	-	-	-		
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	73,643	(73,643)	-	-	-		
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	92,235	(92,235)	-	-	-		
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	1,417,491	(1,417,491)	-	-	-		
70800	Other Government Grants	-	-	-	-	-	3,640,000	-	850,000	-	-	4,490,000	-	4,490,000		
71100	Investment Income - Unrestricted	2,342	-	88	500	-	-	-	4,399	779	-	8,108	898,696	906,804		
71500	Other Revenue	142,685	-	5,492	166	-	-	-	153,038	549,909	-	851,290	1,668,365	2,519,655		
71600	Gain / (Loss) on Sale of Assets	14,271	-	-	-	-	-	-	5,446	(11,490)	-	8,227	-	8,227		
72000	Investment Income - Restricted	-	-	-	132	-	-	-	-	-	-	132	-	132		
70000	Total Revenue	4,846,423	-	287,324	3,633,065	64,438	3,640,000	235,173	8,104,979	1,956,689	(1,417,491)	21,350,600	2,567,061	23,917,661		
EXPENSES																
Administrative:																
91100	Administrative Salaries	233,964	-	12,972	74,292	-	-	-	257,190	599,458	-	1,177,876	-	1,177,876		
91200	Auditing Fees	15,277	-	989	5,606	7,489	-	-	26,028	6,459	-	61,848	8,500	70,348		
91300	Management Fee	682,599	-	16,744	35,376	-	-	288	445,806	-	(1,180,813)	-	-	-		
91310	Book-Keeping Fee	51,443	-	-	22,110	-	-	90	-	-	(73,643)	-	-	-		
91500	Employee Benefit Contributions - Administrative	141,469	-	8,585	44,230	-	-	-	115,769	371,705	-	681,758	6	681,764		
91600	Office Expenses	37,190	-	3,056	4,185	-	-	65	23,853	81,139	-	149,488	-	149,488		
91700	Legal Expense	11,117	-	130	-	-	-	-	12,956	58,700	-	82,903	3,800	86,703		
91800	Travel	-	-	-	-	-	-	-	2,228	2,554	-	4,782	-	4,782		
91900	Other	2,122	-	3,000	8,849	-	-	-	29,525	124,973	-	168,469	6,327	174,796		
91000	Total Operating - Administrative	1,175,181	-	45,476	194,648	7,489	-	443	913,355	1,244,988	(1,254,456)	2,327,124	18,633	2,345,757		

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE
SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Line Item No.	Account Description	Programs										Eliminations	Subtotal	Fiduciary Fund	Total	
		Project Totals	Resident Opportunities and Supportive Services	HOME Investments Partnerships Program	Section 8 Housing Choice Voucher Program	HCV CARES Act Funding	Community Development Block Grant	EHV Emergency Housing Voucher	Other Business Activities	Central Office Cost Center						
	EXPENSES (CONTINUED)															
	Asset Management Fee															
92000	Asset Management Fee	\$ 70,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (70,800)	\$ -	\$ -	\$ -	\$ -
	Tenant Services:															
92100	Tenant Services - Salaries	191,306	-	1,666	12,496	-	-	-	548,743	-	-	754,211	-	-	754,211	-
92300	Employee Benefit Contributions - Tenant Services	127,408	-	1,200	8,678	-	-	-	209,406	14,782	-	361,474	-	-	361,474	-
92400	Other	1,208	-	-	-	-	-	-	126,749	2,586	-	130,543	-	-	130,543	-
92500	Total Tenant Services	319,922	-	2,866	21,174	-	-	-	884,898	17,368	-	1,246,228	-	-	1,246,228	-
	Utilities:															
93100	Water	65,264	-	1,258	-	-	-	-	18,905	1,586	-	87,013	-	-	87,013	-
93200	Electricity	201,447	-	4,050	-	-	-	-	133,017	30,050	-	368,564	-	-	368,564	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	45,847	-	-	45,847	-	-	45,847	-
93000	Total Utilities	266,711	-	5,308	-	-	-	-	197,769	31,636	-	501,424	-	-	501,424	-
	Ordinary Maintenance and Operation:															
94100	Ordinary Maintenance and Operations- Labor	416,604	-	10,694	-	-	-	-	582,110	246,202	-	1,255,610	-	-	1,255,610	-
94200	Ordinary Maintenance and Operations- Material and Other	363,763	-	27,011	246	-	-	-	330,660	67,456	-	789,136	-	-	789,136	-
94300	Ordinary Maintenance and Operations- Contracts	453,212	-	14,738	1,438	-	-	-	462,776	31,348	(92,235)	871,277	-	-	871,277	-
94500	Employee Benefit Contributions - Ordinary Maintenance	301,613	-	8,000	-	-	-	-	379,253	128,727	-	817,593	-	-	817,593	-
94000	Total Maintenance	1,535,192	-	60,443	1,684	-	-	-	1,754,799	473,733	(92,235)	3,733,616	-	-	3,733,616	-
	Protective Services:															
95200	Protective Services - Other Contract Costs	13,575	-	-	-	-	-	-	-	-	-	13,575	-	-	13,575	-
95000	Total Protective Services	13,575	-	-	-	-	-	-	-	-	-	13,575	-	-	13,575	-
	Insurance Premiums:															
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	5,964	5,964	-
96140	All Other Insurance	732,682	-	42,755	5,205	-	-	-	1,132,167	78,581	-	1,991,390	-	-	1,991,390	-
96100	Total Insurance Premiums	732,682	-	42,755	5,205	-	-	-	1,132,167	78,581	-	1,991,390	-	5,964	1,997,354	-
	General Expenses:															
96200	Other General Expenses	123,982	-	40	-	32,574	199,924	500	90,134	212,295	-	659,449	767,437	-	1,426,886	-
96210	Compensated Absences	65,358	-	3,903	7,199	-	-	-	68,795	93,350	-	238,605	-	-	238,605	-
96300	Payments in Lieu of Taxes	79,985	-	-	-	-	-	-	-	-	-	79,985	-	-	79,985	-
96400	Bad Debt - Tenant Rents	31,085	-	258	-	-	-	-	17,021	-	-	48,364	-	-	48,364	-
96000	Total Other General Expenses	300,410	-	4,201	7,199	32,574	199,924	500	175,950	305,645	-	1,026,403	767,437	-	1,793,840	-
	Interest and Amortization Expenses:															
96710	Interest on Mortgage (or Bonds) Payable	-	-	49,088	-	-	371	-	1,314,808	-	-	1,364,267	-	-	1,364,267	-
96700	Total Interest Expense and Amortization Cost	-	-	49,088	-	-	371	-	1,314,808	-	-	1,364,267	-	-	1,364,267	-
96900	Total Operating Expenses	4,414,473	-	210,137	229,910	40,063	200,295	943	6,373,746	2,151,951	(1,417,491)	12,204,027	792,034	-	12,996,061	-
97000	Excess (Deficiency) of Operating Revenue Over (Under) Operating Expenses	431,950	-	77,187	3,403,155	24,375	3,439,705	234,230	1,731,233	(195,262)	-	9,146,573	1,775,027	-	10,921,600	-

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE
SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Line Item No.	Account Description	Programs									Eliminations	Subtotal	Fiduciary Fund	Total
		Project Totals	Resident Opportunities and Supportive Services	HOME Investments Partnerships Program	Section 8 Housing Choice Voucher Program	HCC HCV CARES Act Funding	Community Development Block Grant	EHV Emergency Housing Voucher	Other Business Activities	Central Office Cost Center				
	Other Expenses:													
97100	Extraordinary Maintenance	\$ 469,551	\$ -	\$ 4,260	\$ -	\$ -	\$ -	\$ -	\$ 249,578	\$ -	\$ -	\$ 723,389	\$ -	\$ 723,389
97300	Housing Assistance Payments	-	-	-	3,242,627	-	-	29,114	-	-	-	3,271,741	-	3,271,741
97400	Depreciation Expense	594,465	-	40,937	6,750	-	-	-	1,427,191	60,630	-	2,129,973	-	2,129,973
	Total Other Expenses	1,064,016	-	45,197	3,249,377	-	-	29,114	1,676,769	60,630	-	6,125,103	-	6,125,103
90000	Total Expenses	5,478,489	-	255,334	3,479,287	40,063	200,295	30,057	8,050,515	2,212,581	(1,417,491)	18,329,130	792,034	19,121,164
	OTHER FINANCING SOURCES (USES)													
10010	Operating Transfers In	225,000	-	336,876	-	-	-	-	3,120,315	440,000	(4,122,191)	-	-	-
10020	Operating Transfers Out	(225,000)	-	-	-	-	-	-	(3,897,191)	-	4,122,191	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	336,876	-	-	-	-	(776,876)	440,000	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(632,066)	-	368,866	153,778	24,375	3,439,705	205,116	(722,412)	184,108	-	3,021,470	1,775,027	4,796,497
11030	Beginning Equity	11,606,608	-	(353,476)	262,836	-	2,000,000	-	9,639,092	940,616	-	24,095,676	13,720,128	37,815,804
11040	Equity Transfers	-	-	-	24,375	(24,375)	-	-	-	-	-	-	-	-
	NET POSITION, END OF YEAR	<u>\$ 10,974,542</u>	<u>\$ -</u>	<u>\$ 15,390</u>	<u>\$ 440,989</u>	<u>\$ -</u>	<u>\$ 5,439,705</u>	<u>\$ 205,116</u>	<u>\$ 8,916,680</u>	<u>\$ 1,124,724</u>	<u>\$ -</u>	<u>\$ 27,117,146</u>	<u>\$ 15,495,155</u>	<u>\$ 42,612,301</u>
11170	Administrative Fee Equity	\$ -	\$ -	\$ -	\$ 380,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,362	\$ -	\$ 380,362
11180	Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ 60,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,627	\$ -	\$ 60,627
11190	Unit Months Available	7,056	-	336	3,048	-	-	23	5,400	-	-	15,863	-	15,863
11210	Number of Unit Months Leased	6,859	-	320	2,948	-	-	23	4,755	-	-	14,905	-	14,905
11270	Excess Cash	\$ 1,170,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,170,923	\$ -	\$ 1,170,923
11620	Building Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11640	Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – PROJECTS
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Line Item No.	Account Description	Project #1	Project #2	Total Projects
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash:				
111	Unrestricted	\$ 1,270,945	\$ 243,517	\$ 1,514,462
114	Tenant Security Deposits	61,300	33,350	94,650
100	Total Cash	1,332,245	276,867	1,609,112
Accounts and Notes Receivable:				
122	Accounts Receivable - HUD Other Projects	117,524	-	117,524
126	Accounts Receivable - Tenants	70,019	3,485	73,504
126.1	Allowance for Doubtful Accounts - Tenants	(23,232)	(1,651)	(24,883)
120	Total Receivables, Net	164,311	1,834	166,145
Other Current Assets:				
142	Prepaid Expenses and Other Assets	203,886	67,374	271,260
150	Total Current Assets	1,700,442	346,075	2,046,517
NONCURRENT ASSETS				
Capital Assets:				
161	Land	514,036	55,838	569,874
162	Buildings	18,082,921	12,882,117	30,965,038
164	Furniture, Equipment and Machinery - Administration	872,711	292,432	1,165,143
166	Accumulated Depreciation	(16,649,682)	(6,661,682)	(23,311,364)
167	Construction in Progress	29,527	-	29,527
168	Infrastructure	77,026	-	77,026
160	Total Capital Assets, Net	2,926,539	6,568,705	9,495,244
174	Other Assets	124,866	104,161	229,027
180	Total Noncurrent Assets	3,051,405	6,672,866	9,724,271
190	Total Assets	4,751,847	7,018,941	11,770,788
200	Deferred Outflows of Resources	33,047	27,567	60,614
290	Total Assets and Deferred Outflows of Resources	\$ 4,784,894	\$ 7,046,508	\$ 11,831,402

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – PROJECTS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

Line Item No.	Account Description	Project #1	Project #2	Total Projects
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
321	Accrued Wages/Payroll Taxes Payable	\$ 11,000	\$ 9,274	\$ 20,274
322	Accrued Compensated Absences - Current Portion	4,770	3,340	8,110
333	Accounts Payable - Other Government	142,804	-	142,804
341	Tenant Security Deposits	61,300	33,350	94,650
342	Unearned Revenues	9,516	1,235	10,751
310	Total Current Liabilities	229,390	47,199	276,589
NONCURRENT LIABILITIES				
354	Accrued Compensated Absences - Noncurrent	42,932	30,057	72,989
350	Total Noncurrent Liabilities	42,932	30,057	72,989
300	Total Liabilities	272,322	77,256	349,578
400	Deferred Inflows of Resources	276,573	230,709	507,282
NET POSITION				
508.4	Net Investment In Capital Assets	2,926,539	6,568,705	9,495,244
512.4	Unrestricted	1,309,460	169,838	1,479,298
513	Total Net Position	4,235,999	6,738,543	10,974,542
600	Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 4,784,894	\$ 7,046,508	\$ 11,831,402

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – PROJECTS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

Line Item No.	Account Description	Project #1	Project #2	CFP	Total Projects
REVENUE					
70300	Net Tenant Rental Revenue	\$ 2,365,861	\$ 890,702	\$ -	\$ 3,256,563
70400	Tenant Revenue - Other	26,294	168,044	-	194,338
70500	Total Tenant Revenue	2,392,155	1,058,746	-	3,450,901
70600	HUD PHA Operating Grants	9,631	279,647	857,683	1,146,961
70610	Capital Grants	-	-	89,263	89,263
71100	Investment Income - Unrestricted	2,089	253	-	2,342
71500	Other Revenue	100,133	42,552	-	142,685
71600	Gain or Loss on Sale of Capital Assets	3,256	11,015	-	14,271
70000	Total Revenue	2,507,264	1,392,213	946,946	4,846,423
EXPENSES					
Administrative:					
91100	Administrative Salaries	126,279	107,685	-	233,964
91200	Auditing Fees	10,401	4,876	-	15,277
91300	Management Fee	332,960	166,444	183,195	682,599
91310	Book-Keeping Fee	34,298	17,145	-	51,443
91500	Employee Benefit Contributions - Administrative	76,560	64,909	-	141,469
91600	Office Expenses	29,274	7,916	-	37,190
91700	Legal Expense	10,841	276	-	11,117
91900	Other	1,288	708	126	2,122
91000	Total Operating - Administrative	621,901	369,959	183,321	1,175,181
Asset Management:					
92000	Asset Management Fees	46,800	24,000	-	70,800
Tenant Services:					
92100	Salaries	58,263	133,043	-	191,306
92300	Employee Benefit Contributions - Tenant Services	34,086	93,322	-	127,408
92400	Other	1,208	-	-	1,208
92500	Total Tenant Services	93,557	226,365	-	319,922
Utilities:					
93100	Water	3,602	61,662	-	65,264
93200	Electricity	35,262	166,185	-	201,447
93000	Total Utilities	38,864	227,847	-	266,711
94100	Ordinary Maintenance and Operations - Labor	271,585	145,019	-	416,604
94200	Ordinary Maintenance and Operations - Materials and Other	199,412	71,628	92,723	363,763
94300	Ordinary Maintenance and Operations Contracts	263,654	106,587	82,971	453,212
94500	Employee Benefit Contributions - Ordinary Maintenance	195,127	106,486	-	301,613
94000	Total Maintenance	929,778	429,720	175,694	1,535,192
Protective Services:					
95200	Other Contract Costs	13,575	-	-	13,575
95000	Total Protective Services	13,575	-	-	13,575
Insurance Premiums:					
96140	All Other Insurance	532,410	200,272	-	732,682
96100	Total Insurance Premiums	532,410	200,272	-	732,682

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – PROJECTS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Line Item No.	Account Description	Project #1	Project #2	CFP	Total Projects
EXPENSES (CONTINUED)					
	General Expenses:				
96200	Other General Expenses	\$ 31,451	\$ 92,531	\$ -	\$ 123,982
96210	Compensated Absences	24,646	40,712	-	65,358
96300	Payments in Lieu of Taxes	79,985	-	-	79,985
96400	Bad Debt - Tenant Rents	26,112	4,973	-	31,085
96000	Total Other General Expenses	<u>162,194</u>	<u>138,216</u>	<u>-</u>	<u>300,410</u>
96900	Total Operating Expenses	<u>2,439,079</u>	<u>1,616,379</u>	<u>359,015</u>	<u>4,414,473</u>
97000	Excess (Deficiency) of Operating Revenue Over (Under) Operating Expenses	68,185	(224,166)	587,931	431,950
	Other Expenses:				
97100	Extraordinary Maintenance	195,073	810	273,668	469,551
97400	Depreciation Expense	308,024	238,612	47,829	594,465
	Total Other Expenses	<u>503,097</u>	<u>239,422</u>	<u>321,497</u>	<u>1,064,016</u>
90000	Total Expenses	2,942,176	1,855,801	680,512	5,478,489
OTHER FINANCING SOURCES (USES)					
10010	Operating Transfers In	66,667	158,333	-	225,000
10020	Operating Transfers Out	-	-	(225,000)	(225,000)
10100	Total Other Financing Sources (Uses)	<u>66,667</u>	<u>158,333</u>	<u>(225,000)</u>	<u>-</u>
10000	Excess (Deficiency) of Total Revenues Over (Under) Total Expenses	(368,245)	(305,255)	41,434	(632,066)
11030	Beginning Equity	<u>4,192,345</u>	<u>7,043,798</u>	<u>370,465</u>	<u>11,606,608</u>
	NET POSITION - END OF YEAR	<u><u>\$ 3,824,100</u></u>	<u><u>\$ 6,738,543</u></u>	<u><u>\$ 411,899</u></u>	<u><u>\$ 10,974,542</u></u>

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – OTHER BUSINESS ACTIVITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Line Item No.	Account Description	Poinciana Complex	Key Plaza Site B	Roosevelt Gardens Complex	Old Town	3rd & Patterson	Washington Street	Poinciana Gardens Senior Living	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
CURRENT ASSETS									
Cash:									
111	Unrestricted	\$ 784,822	\$ 1,088,620	\$ 679,578	\$ 169,536	\$ 174,312	\$ 184,074	\$ (14,125)	\$ 3,066,817
113	Other Restricted	-	-	-	-	-	-	125,844	125,844
114	Tenant Security Deposits	177,423	34,541	112,146	21,006	6,510	19,045	20,550	391,221
100	Total Cash	962,245	1,123,161	791,724	190,542	180,822	203,119	132,269	3,583,882
Accounts and Notes Receivable:									
124	Accounts Receivable - Other Governments	-	-	-	6,303	-	-	16,666	22,969
126	Accounts Receivable - Tenants	17,246	5,788	4,405	7,601	-	-	30,585	65,625
126.1	Allowance for Doubtful Accounts	-	-	(1,222)	(1,463)	-	-	(7,275)	(9,960)
127	Notes, Loans, and Mortgages Receivable - Current	45,696	-	-	-	-	-	-	45,696
120	Total Receivables, Net	62,942	5,788	3,183	12,441	-	-	39,976	124,330
Other Current Assets:									
142	Prepaid Expenses and Other Assets	194,158	43,232	97,006	24,753	11,214	18,208	89,180	477,751
150	Total Current Assets	1,219,345	1,172,181	891,913	227,736	192,036	221,327	261,425	4,185,963
NONCURRENT ASSETS									
Capital Assets:									
161	Land	1,999,738	1,133,493	2,824,840	680,983	772,500	1,292,862	210,262	8,914,678
162	Buildings	14,047,006	4,947,994	11,130,909	1,534,879	933,542	1,657,138	20,031,417	54,282,885
164	Furniture, Equipment and Machinery - Administration	229,797	46,370	27,923	-	-	-	141,975	446,065
166	Accumulated Depreciation	(6,791,180)	(1,225,254)	(4,944,590)	(305,199)	(400,316)	(476,030)	(1,881,208)	(16,023,777)
168	Infrastructure	638,565	-	428,026	-	-	-	38,892	1,105,483
160	Total Capital Assets, Net	10,123,926	4,902,603	9,467,108	1,910,663	1,305,726	2,473,970	18,541,338	48,725,334
171	Notes and Loans Receivable - Noncurrent	-	-	-	-	-	-	-	-
174	Other Assets	79,263	22,407	58,203	11,581	3,953	7,977	-	183,384
180	Total Noncurrent Assets	10,203,189	4,925,010	9,525,311	1,922,244	1,309,679	2,481,947	18,541,338	48,908,718
190	Total Assets	11,422,534	6,097,191	10,417,224	2,149,980	1,501,715	2,703,274	18,802,763	53,094,681
200	Deferred Outflows of Resources	20,977	5,930	15,404	3,065	1,047	2,111	-	48,534
290	Total Assets and Deferred Outflows of Resources	\$ 11,443,511	\$ 6,103,121	\$ 10,432,628	\$ 2,153,045	\$ 1,502,762	\$ 2,705,385	\$ 18,802,763	\$ 53,143,215

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – OTHER BUSINESS ACTIVITY
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

Line Item No.	Account Description	Poinciana Complex	Key Plaza Site B	Roosevelt Gardens Complex	Old Town	3rd & Patterson	Washington Street	Poinciana Gardens Senior Living	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION									
CURRENT LIABILITIES									
312	Accounts Payable < 90 Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,039	\$ 11,039
321	Accrued Wages/Payroll Taxes Payable	7,360	2,086	4,483	1,175	344	690	16,945	33,083
322	Accrued Compensated Absences	2,534	698	1,510	120	116	233	-	5,211
341	Tenant Security Deposits	177,423	34,541	112,146	21,006	6,510	19,045	20,550	391,221
342	Unearned Revenue	29,901	5,687	16,629	3,246	504	4,964	14,745	75,676
343	Current Portion of LT Debt - Capital Projects	541,834	57,282	329,045	-	-	92,740	645,575	1,666,476
344	Current Portion of LT Debt - Operating Borrowings	-	-	-	-	-	-	-	-
310	Total Current Liabilities	759,052	100,294	463,813	25,547	7,474	117,672	708,854	2,182,706
NONCURRENT LIABILITIES									
351	Long-Term Debt, Net of Current - Capital Proj.	10,006,184	2,643,649	6,467,068	-	-	2,495,137	19,978,698	41,590,736
354	Accrued Compensated Absences-Non-Current	22,810	6,280	13,594	1,084	1,047	2,093	-	46,908
350	Total Noncurrent Liabilities	10,028,994	2,649,929	6,480,662	1,084	1,047	2,497,230	19,978,698	41,637,644
300	Total Liabilities	10,788,046	2,750,223	6,944,475	26,631	8,521	2,614,902	20,687,552	43,820,350
400	Deferred Inflows of Resources	175,561	49,630	128,916	25,653	8,756	17,669	-	406,185
NET POSITION									
508.4	Net Investment in Capital Assets	(424,092)	2,201,672	2,670,995	1,910,663	1,305,726	(113,907)	(2,082,935)	5,468,122
	Restricted	-	-	-	-	-	-	125,844	125,844
512.4	Unrestricted	903,996	1,101,596	688,242	190,098	179,759	186,721	72,302	3,322,714
513	Total Net Position	479,904	3,303,268	3,359,237	2,100,761	1,485,485	72,814	(1,884,789)	8,916,680
600	Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 11,443,511</u>	<u>\$ 6,103,121</u>	<u>\$ 10,432,628</u>	<u>\$ 2,153,045</u>	<u>\$ 1,502,762</u>	<u>\$ 2,705,385</u>	<u>\$ 18,802,763</u>	<u>\$ 53,143,215</u>

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – OTHER BUSINESS ACTIVITY
SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

Line Item No.	Account Description	Poinciana Complex	Key Plaza Site B	Roosevelt Gardens Complex	Old Town	3rd & Patterson	Washington Street	Poinciana Gardens Senior Living	Total
REVENUE									
70300	Net Tenant Rental Revenue	\$ 2,629,620	\$ 651,608	\$ 1,517,798	\$ 319,059	\$ 97,220	\$ 266,359	\$ 1,492,045	\$ 6,973,709
70400	Tenant Revenue - Other	63,566	13,028	31,599	1,773	2,100	6,074	247	118,387
70500	Total Tenant Revenue	2,693,186	664,636	1,549,397	320,832	99,320	272,433	1,492,292	7,092,096
70800	Other Government Grants	-	-	-	-	-	-	850,000	850,000
71100	Investment Income - Unrestricted	1,080	1,460	1,008	174	225	322	130	4,399
71500	Other Revenue	58,306	14,210	31,342	7,224	5,127	11,509	25,320	153,038
71600	Gain / (Loss) on Sale of Capital Assets	5,446	-	-	-	-	-	-	5,446
70000	Total Revenue	2,758,018	680,306	1,581,747	328,230	104,672	284,264	2,367,742	8,104,979
EXPENSES									
Administrative:									
91100	Administrative Salaries	68,128	19,465	42,170	92	3,239	6,494	117,602	257,190
91200	Auditing Fees	10,325	2,531	5,747	1,043	331	1,068	4,983	26,028
91300	Management Fee	210,370	52,129	121,424	25,525	9,722	26,636	-	445,806
91500	Employee Benefit Contributions - Administrative	45,394	12,975	28,702	7	2,187	4,358	22,146	115,769
91600	Office Expenses	3,421	310	2,060	3,786	47	105	14,124	23,853
91700	Legal Expenses	3,007	130	800	-	-	341	8,678	12,956
91800	Travel	-	-	-	-	-	-	2,228	2,228
91900	Other Expenses	3,672	3,404	3,520	-	3,264	3,348	12,317	29,525
91000	Total Operating - Administrative	344,317	90,944	204,423	30,453	18,790	42,350	182,078	913,355
Tenant Services:									
92100	Tenant Services - Salaries	7,497	2,499	4,998	1,666	-	833	531,250	548,743
92300	Employee Benefit Contributions - Tenant Services	5,434	1,812	3,688	1,204	-	607	196,661	209,406
92400	Tenant Services - Other	-	-	-	-	-	-	126,749	126,749
92500	Total Tenant Services	12,931	4,311	8,686	2,870	-	1,440	854,660	884,898
Utilities:									
93100	Water	1,609	840	1,337	2,410	20	1,233	11,456	18,905
93200	Electricity	8,355	2,753	7,199	3,002	42	2,150	109,516	133,017
93300	Gas	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	18,586	5,558	11,299	6,344	1,534	2,526	-	45,847
93000	Total Utilities	28,550	9,151	19,835	11,756	1,596	5,909	120,972	197,769

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SUPPLEMENTARY FINANCIAL DATA SCHEDULE – OTHER BUSINESS ACTIVITY
SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Line Item No.	Account Description	Poinciana Complex	Key Plaza Site B	Roosevelt Gardens Complex	Old Town	3rd & Patterson	Washington Street	Poinciana Gardens Senior Living	Total
	Ordinary Maintenance and Operation:								
94100	Ordinary Maintenance and Ops - Labor	\$ 199,977	\$ 55,934	\$ 152,759	\$ 38,313	\$ 10,157	\$ 19,901	\$ 105,069	\$ 582,110
94200	Ordinary Maintenance and Ops - Materials	143,739	28,314	87,764	21,161	2,606	11,434	35,642	330,660
94300	Ordinary Maintenance and Ops - Contracts	176,234	32,204	129,878	33,811	7,728	17,719	65,202	462,776
94500	Employee Benefits Contributions - Maint.	146,338	40,964	112,163	27,836	7,421	14,546	29,985	379,253
	Total Maintenance	666,288	157,416	482,564	121,121	27,912	63,600	235,898	1,754,799
	Insurance Premiums:								
96140	All Other Insurance	405,394	83,351	190,791	41,422	26,624	37,936	346,649	1,132,167
96100	Total Insurance Premiums	405,394	83,351	190,791	41,422	26,624	37,936	346,649	1,132,167
	General Expenses:								
96200	Other General Expenses	45	91	1,826	99	2	3	88,068	90,134
96210	Compensated Absences	32,377	9,085	19,595	3,224	1,486	3,028	-	68,795
96400	Bad Debt - Tenant Rents	9,875	-	1,407	2,414	-	-	3,325	17,021
96000	Total Other General Expenses	42,297	9,176	22,828	5,737	1,488	3,031	91,393	175,950
96710	Interest on Mortgage (or Bonds) Payable	314,800	49,643	281,805	-	-	45,604	622,956	1,314,808
96900	Total Operating Expenses	1,814,577	403,992	1,210,932	213,359	76,410	199,870	2,454,606	6,373,746
97000	Excess of Operating Revenue Over Operating Expenses	943,441	276,314	370,815	114,871	28,262	84,394	(86,864)	1,731,233
	Other Expenses:								
97100	Extraordinary Maintenance	57,163	17,994	8,519	28,062	3,550	134,290	-	249,578
97400	Depreciation Expense	379,963	124,406	293,806	38,372	23,765	41,428	525,451	1,427,191
	Total Other Expenses	437,126	142,400	302,325	66,434	27,315	175,718	525,451	1,676,769
90000	Total Expenses	2,251,703	546,392	1,513,257	279,793	103,725	375,588	2,980,057	8,050,515
	OTHER FINANCING SOURCES (USES)								
10010	Operating Transfers In	-	-	-	-	-	-	3,120,315	3,120,315
10020	Operating Transfers Out	(3,682,191)	(150,000)	(25,000)	(30,000)	(10,000)	-	-	(3,897,191)
10100	Total Other Financing Uses	(3,682,191)	(150,000)	(25,000)	(30,000)	(10,000)	-	3,120,315	(776,876)
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(3,175,876)	(16,086)	43,490	18,437	(9,053)	(91,324)	2,508,000	(722,412)
11030	Beginning Equity	3,655,780	3,319,354	3,315,747	2,082,324	1,494,538	164,138	(4,392,789)	9,639,092
	NET POSITION - END OF YEAR	<u>\$ 479,904</u>	<u>\$ 3,303,268</u>	<u>\$ 3,359,237</u>	<u>\$ 2,100,761</u>	<u>\$ 1,485,485</u>	<u>\$ 72,814</u>	<u>\$ (1,884,789)</u>	<u>\$ 8,916,680</u>

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed- Through to Subrecipients	Federal Expenditures
Direct Federal Assistance:				
<u>Department of Housing and Urban Development</u>				
Public and Indian Housing	14.850	N/A	N/A	\$ 289,278
Total Public and Indian Housing Funds				<u>289,278</u>
Section 8 Housing Choice Vouchers	14.871	N/A	N/A	3,632,267
COVID-19 - HCV CARES Act Funding	14.871	N/A	N/A	64,438
Emergency Housing Vouchers	14.871	N/A	N/A	235,173
Total Housing Voucher Cluster				<u>3,931,878</u>
Capital Fund Program:				
Public Housing Capital Fund	14.872	N/A	N/A	6,915
Public Housing Capital Fund	14.872	N/A	N/A	168,845
Public Housing Capital Fund	14.872	N/A	N/A	637,165
Public Housing Capital Fund	14.872	N/A	N/A	134,021
Total Capital Fund Program				<u>946,946</u>
Total Direct Federal Awards				<u>5,168,102</u>
Indirect Federal Assistance:				
<u>Department of Housing and Urban Development</u>				
Passed through Florida Housing Finance Corporation				
Community Block Development Grant - Disaster Recovery	14.239	N/A	N/A	5,464,447
Total Indirect Federal Awards				<u>5,464,447</u>
Total Federal Awards				<u>\$ 10,632,549</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

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, 2021. 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 position, 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.

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 \$3,632,267 in federal funding for the Section 8 Housing Choice Voucher Program (ALN 14.871), \$64,438 of CARES Act funding for the Section 8 Housing Choice Voucher Program (ALN 14.871), and \$235,173 for the Emergency Housing Voucher Program during the year. The Authority reported \$3,479,287, \$40,063, and \$30,057 in expenditures on a full accrual basis for the Section 8 Housing Choice Voucher Program, CARES Act for the Section 8 Housing Voucher Program, and Emergency Housing Voucher Program during the year, which were paid with federal and non-federal funds.

NOTE 4 PUBLIC AND INDIAN HOUSING

The Authority received \$289,278 in federal funding for the Public and Indian Housing Program (ALN 14.850) during the fiscal year. The Authority reported \$4,797,977 in expenditures on a full accrual basis for the Public and Indian Housing Program during the year. Expenses were paid for by current year HUD funding, tenant rent, and other sources of Public Housing revenue.

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021**

NOTE 5 LOANS OUTSTANDING

The Authority had the following loan balance outstanding at December 31, 2021:

<u>Program Title</u>	<u>Amount Outstanding</u>
Passed through Florida Housing Finance Corporation Community Block Development Grant - Disaster Recovery	\$ 5,464,447

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
The Housing Authority of the City of Key West, Florida
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 fiduciary fund of The Housing Authority of the City of Key West, Florida (the Authority), a component unit of the City of Key West, Florida, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 2, 2022.

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
September 2, 2022



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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Housing Authority of the City of Key West, Florida (the Authority), a component unit of the City of Key West, Florida, 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, 2021. 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, 2021.

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.

Board of Commissioners
The Housing Authority of the City of Key West, Florida

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
September 2, 2022

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021**

Section I – Summary of Auditors' Results

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 Program

AL Number

14.269

Name of Federal Program or Cluster

Community Development Block Grant Disaster Recovery Grants (CDBG-DR)

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

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA
(A COMPONENT UNIT OF CITY OF KEY WEST, FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2021**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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