

Housing Authority of the Town of Greenwich

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2017

Housing Authority of the Town of Greenwich

Index

	<u>Page</u>
Independent Auditor's Report	2
Management Discussion and Analysis	5
Financial Statements	
Statement of Net Position	13
Statement of Revenue, Expenses and Changes in Net Position	15
Statement of Cash Flows	16
Notes to Financial Statements	18
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	42
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	44
Schedule of Findings and Questioned Costs	46
Supplementary Information	
Supplementary Schedules	48
Financial Data Schedule	54
Schedule of Expenditures of Federal Awards	62
Notes to Schedule of Expenditures of Federal Awards	63
Schedule of the Authority's Contributions for the Connecticut Municipal Employees Retirement System ("CT MERS")	64
Schedule of the Authority's Proportionate Share of the Net Pension Liability for the Connecticut Municipal Employees Retirement System ("CT MERS")	65

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the Town of Greenwich
Greenwich, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Town of Greenwich, which comprise the statement of net position as of December 31, 2017, and the related statements of revenue, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence to support the amounts included in the financial statements for the net pension liability, deferred outflows of resources, deferred inflows of resources, and related pension expenses as the audited financial statements of the State of Connecticut Municipal Employees Retirement System related to the current fiscal year has not been issued as of the date of this report. Therefore, we were unable to satisfy ourselves as to the balances of these accounts, the net pension liability of \$2,388,444, \$994,754 of deferred outflows related to pension, \$0 of deferred inflows related to pension and \$348,935 of pension expense related to the change in pension liability and deferred outflows/inflows of resources. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Greenwich as of December 31, 2017, and the changes in its net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 5 to 12, the schedule of the Authority's contribution, and the schedule of the Authority's proportionate share of net pension liability be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Except for the information described in the "Basis for Qualified Opinion" paragraph, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary schedules on pages 48 to 53 and HUD financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary schedules, schedule of expenditures of federal awards, and HUD financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Except for the information described in the "Basis for Qualified Opinion" paragraph, such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the information described in the “Basis for Qualified Opinion” paragraph, the supplementary schedules, schedule of expenditures of federal awards, and HUD financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2018, on our consideration of the Housing Authority of the Town of Greenwich'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 Housing Authority of the Town of Greenwich'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 Housing Authority of the Town of Greenwich's internal control over financial reporting and compliance.

CohnReznick LLP

Boston, Massachusetts
September 20, 2018

Taxpayer Identification Number:
22-1478099

Lead Auditor: Matthew J. Quinn

Housing Authority of the Town of Greenwich

Management Discussion and Analysis For the Year Ended December 31, 2017

Management's Discussion and Analysis

As the management of the Housing Authority of the Town of Greenwich (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Authority's Chief Executive Officer or the Chief Financial Officer.

Financial Highlights

In addition to the following highlights, more descriptive explanations of the following items are provided on page 9 of this report.

- The assets of the Authority exceeded its liabilities as of December 31, 2017 by \$25,597,714 (net position).
- The Authority's cash balance as of December 31, 2017 was \$6,858,970 representing an increase of \$825,426 from December 31, 2016 (some of which is restricted).
- The Authority had intergovernmental grant revenue of \$851,127 for operations for the year ended December 31, 2017.
- The Authority's capital outlays for the year were \$5,842,866 for new equipment, building improvements and construction in progress.

Overview of the Financial Statements

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

- Statement of Net Position - reports the Authority's current financial resources (short-term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenue, Expenses, and Changes in Net Position - reports the Authority's operating and non-operating revenue, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows - reports the Authority's net cash provided by or used by operating activities, noncapital and related financing, investing activities and financing activities.

The attached analysis of entity wide net position, revenue, and expenses are provided to assist in reviewing the Authority's operations for the year ended December 31, 2017. This analysis includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. Accrual of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. This analysis also reflects the Authority's net position and changes in them. The Authority's net position is the differences between what the Authority owns (i.e., assets) and what the Authority owes (i.e., liabilities), as one way to measure the Authority's financial health.

Housing Authority of the Town of Greenwich

Management Discussion and Analysis For the Year Ended December 31, 2017

Over time, the changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. Readers need to consider other non-financial 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 to assess the overall health of the Authority.

Analysis of Entity Wide Net Position (Statement of Net Position)

Total Assets for FYE 2016 was \$49,730,123 and at FYE 2017 the amount was \$53,326,980. This represents a net increase of \$3,596,857. The major area that caused this increase was an increase in capital assets.

Cash had an increase of \$825,426.

Project reserves increased by \$50,555.

Capital Assets increased by \$3,947,464. Capital outlays of \$5,842,866 exceeded current period depreciation and amortization charges of \$1,895,402.

Total Liabilities increased from \$25,683,761 in FYE 2016 to \$28,724,020 in FYE 2017. This was an increase of \$3,040,259.

Current Liabilities increased from \$3,048,171 in FYE 2016 to \$3,131,422 in FYE 2017. This was an increase of \$83,251.

Long-Term Liabilities increased by \$2,957,008.

Housing Authority of the Town of Greenwich

Management Discussion and Analysis For the Year Ended December 31, 2017

The table below further illustrates our analysis:

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>	<u>Variance</u>
Cash	\$ 6,858,970	\$ 6,033,544	\$ 825,426	13.68%
Other assets	3,217,045	3,525,491	(308,446)	-8.75%
Capital assets	43,198,415	39,250,951	3,947,464	10.06%
Non-current assets	52,550	920,137	(867,587)	-94.29%
Deferred outflows of resources	<u>994,754</u>	<u>994,754</u>	<u>-</u>	<u>0.00%</u>
Total assets and deferred outflows of resources	<u>\$ 54,321,734</u>	<u>\$ 50,724,877</u>	<u>\$ 3,596,857</u>	<u>7.09%</u>
Current liabilities	\$ 3,131,422	\$ 3,048,171	\$ 83,251	2.73%
Long-term liabilities	<u>25,592,598</u>	<u>22,635,590</u>	<u>2,957,008</u>	<u>13.06%</u>
Total liabilities	<u>28,724,020</u>	<u>25,683,761</u>	<u>3,040,259</u>	<u>11.84%</u>
Deferred inflows of resources	<u>-</u>	<u>527,304</u>	<u>(527,304)</u>	<u>-100.00%</u>
Net position				
Net investment in capital assets	19,386,955	18,421,701	965,254	5.24%
Restricted net position	1,056,597	1,664,210	(607,613)	-36.51%
Unrestricted net position	<u>5,154,162</u>	<u>4,427,901</u>	<u>726,261</u>	<u>16.40%</u>
Total net position	<u>25,597,714</u>	<u>24,513,812</u>	<u>1,083,902</u>	<u>4.42%</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 54,321,734</u>	<u>\$ 50,724,877</u>	<u>\$ 3,596,857</u>	<u>7.09%</u>

Housing Authority of the Town of Greenwich

Management Discussion and Analysis
For the Year Ended December 31, 2017

Analysis of Entity Wide Revenue (Statement of Revenue, Expenses and Changes in Net Position)

The Authority administers the following programs and the revenue generated from these programs during FYE 2017 were as follows:

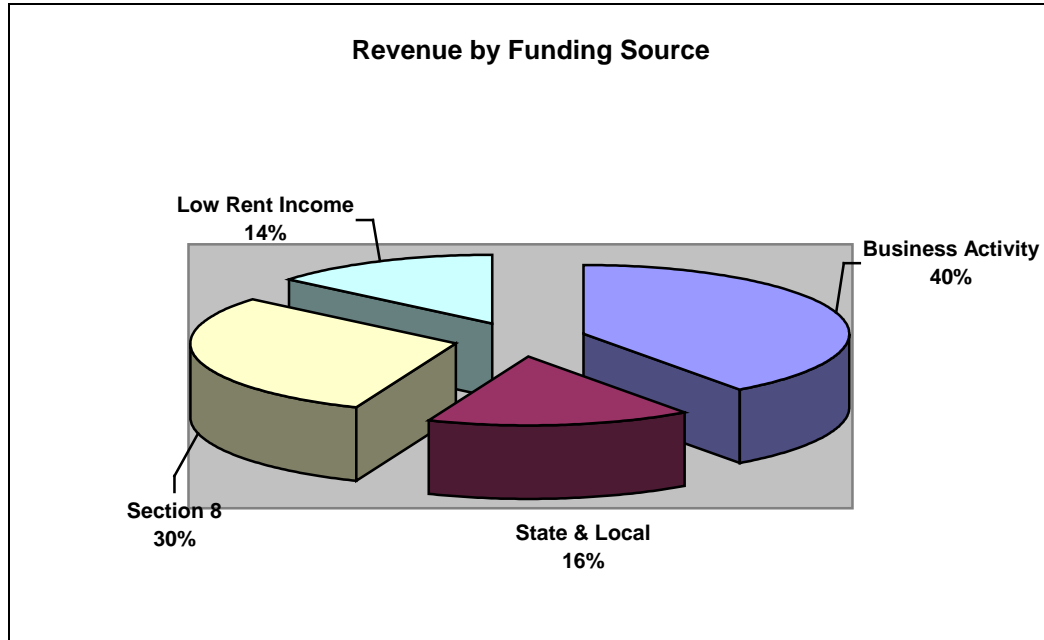
Low Income Public Housing		\$ 2,451,175
Section 8 Vouchers		5,714,827
State & Local		
Moderate Rent	\$ 2,558,389	
McKinney II	395,933	
	<u> </u>	2,954,322
Business Activity		
Greenwich Close	2,827,424	
Quarry Knoll II	684,511	
Town Hall Annex (incl PCSRLP, THALP & THAC)	2,961,209	
	<u> </u>	6,473,144
Non-Major Programs		
Strickland Road	88,084	
Adams Garden II	81,294	
	<u> </u>	169,378
		<u> </u>
Total operating revenue		17,762,846
Capital Grant Fund		<u>1,025,731</u>
Total revenue		<u><u>\$18,788,577</u></u> *

* Does not include Management Fee Income, which is eliminated in consolidation, or interest income

Housing Authority of the Town of Greenwich

Management Discussion and Analysis For the Year Ended December 31, 2017

This diagram illustrates the percentage of revenue generated from these programs by the Authority during FYE 2017:



In FYE 2016 and FYE 2017, total operating revenue were \$17,823,572 and \$17,872,834, respectively. FYE 2016 operating revenue exceeded FYE 2017 by \$49,262. The increase is primarily due to the increase in project rental income.

In FYE 2016 and FYE 2017, total operating expenses were \$16,526,535 and \$17,145,032, respectively. FYE 2017 operating expenses exceeded FYE 2016 by \$618,497. A comparison of the expenses is outlined in the table on the next page. The Authority has provided analysis of the individual expense components.

Housing Authority of the Town of Greenwich

Management Discussion and Analysis For the Year Ended December 31, 2017

The following table illustrates the changes in the statement of activities:

	2017	2016	Net Change	Variance
Tenant Rental Revenue	\$ 9,860,057	\$ 9,659,661	\$ 200,396	2.07%
Public Housing Subsidy	686,866	874,987	(188,121)	-21.50%
Section 8 Subsidy	6,655,797	6,911,645	(255,848)	-3.70%
Other Revenue	670,114	377,279	292,835	77.62%
Total Operating Revenue	17,872,834	17,823,572	49,262	54.49%
Operating Expenses:				
Administrative	3,839,448	3,475,291	364,157	10.48%
Tenant Services	1,027,389	1,085,134	(57,745)	-5.32%
Utilities	1,287,893	1,186,064	101,829	8.59%
Maintenance	2,640,112	2,403,769	236,343	9.83%
Housing Assistance Payments	5,513,321	5,557,084	(43,763)	-0.79%
Other Operating Expenses	941,467	970,116	(28,649)	-2.95%
Depreciation and amortization	1,895,402	1,849,077	46,325	2.51%
Total Operating Expenses	17,145,032	16,526,535	618,497	22.34%
Operating Income (Loss)	727,802	1,297,037	(569,235)	-43.89%
Non-Operating Revenues (Expenses)				
Capital Grants	1,025,731	-	1,025,731	100.00%
Interest Income	47,328	34,681	12,647	36.47%
Interest Expense	(716,959)	(701,693)	(15,266)	2.18%
Change in Net Position	\$ 1,083,902	\$ 630,025	\$ 453,877	72.04%

LOW INCOME PUBLIC HOUSING HIGHLIGHTS

Results of Operations

The Authority's management is pleased with the operating results for the fiscal year ended December 31, 2017. The Public Housing Program reflected losses of \$248,368 in operations excluding depreciation.

Operating Revenue decreased by \$181,747 in FYE 2017. This decrease was due to an decrease in HUD rental assistance subsidy.

Operating Expenditures increased by \$324,026 in FYE 2017. This increase was due to the increase in maintenance expenses.

SECTION 8 HIGHLIGHTS

The Section 8 operating revenue decreased by \$304,902 in the last fiscal year. Section 8 subsidy paid out in 2017 decreased \$43,763.

Housing Authority of the Town of Greenwich

**Management Discussion and Analysis
For the Year Ended December 31, 2017**

STATE AND LOCAL HIGHLIGHTS

Results of Operations

The Authority's management is pleased with the operating results for the fiscal year ending December 31, 2017. The State program reflected an operating profit of \$740,530, excluding depreciation. Overall, the operating revenue increased 5.7% while operating expenses increased by 15.9%.

Operating Revenue increased by \$158,191 in FYE 2017.

Operating Expenditures increased by \$304,505 in FYE 2017.

BUSINESS ACTIVITY HIGHLIGHTS

Results of Operations

The Authority's management is pleased with the operating results for the fiscal year ended December 31, 2017. Business Activity combined for actual results of operations reflecting a profit of \$1,992,210 excluding depreciation.

Operating Revenue increased by \$385,393 in 2017.

Operating Expenditures increased by \$306,173 in 2017.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$43.2 million invested in a variety of capital assets as reflected in the following schedule which represents a net increase (additions less depreciation) in the amount of \$3,947,464 from the end of last year.

**CAPITAL ASSETS AT YEAR END
(NET OF DEPRECIATION)**

	<u>2017</u>	<u>2016</u>
Land	\$ 8,830,872	\$ 8,391,748
Buildings and improvements	64,379,772	59,928,935
Dwelling equipment	2,106,594	2,039,544
Non-dwelling equipment	722,731	722,731
Accumulated depreciation	(34,673,340)	(32,777,938)
Construction in progress	<u>1,831,786</u>	<u>945,931</u>
Total	<u>\$ 43,198,415</u>	<u>\$ 39,250,951</u>

Housing Authority of the Town of Greenwich

**Management Discussion and Analysis
For the Year Ended December 31, 2017**

Debt Outstanding

As of year-end, the Authority had \$23.81 million in debt (mortgages, notes, etc.) outstanding compared to \$20.81 million last year, a \$3.00 million increase.

OUTSTANDING DEBT, AT YEAR END

	<u>2017</u>	<u>2016</u>
State and Local	\$ 2,108,889	\$ 2,223,863
Business activity	<u>21,702,571</u>	<u>18,590,953</u>
Total	<u>\$ 23,811,460</u>	<u>\$ 20,814,816</u>

Housing Authority of the Town of Greenwich

Statement of Net Position
December 31, 2017

Assets and Deferred Outflows of Resources

Current assets	
Cash and cash equivalents - operations	\$ 4,897,672
Cash - restricted	1,142,065
Cash - security deposits held in trust	819,233
Accounts receivable - tenants, net	125,989
Accounts receivable - miscellaneous	65,159
Project reserves	2,888,941
Prepaid expenses	136,956
	<hr/>
Total current assets	10,076,015
	<hr/>
Noncurrent assets	
Capital assets	
Land and land improvements	8,830,872
Construction in progress	1,831,786
Structures and equipment, net	32,535,757
	<hr/>
Total capital assets, net	43,198,415
	<hr/>
Other assets	
Notes receivable	44,000
Other assets	8,550
	<hr/>
Total other assets	52,550
	<hr/>
Total assets	53,326,980
	<hr/>
Deferred outflows of resources	994,754
	<hr/>
Total assets and deferred outflow of resources	<u>\$ 54,321,734</u>

Housing Authority of the Town of Greenwich

Statement of Net Position
December 31, 2017

Liabilities, Deferred Inflows of Resources, and Net Position

Current liabilities	
Accounts payable - vendors	\$ 301,155
Accounts payable - other government	288,285
Accrued salaries and benefit payable	22,717
Accrued compensated absences	595,322
Accrued operating expenses	361,734
Accrued interest expenses	111,646
Prepaid rental revenue - subsidy	26,394
Tenant security deposits	816,863
Current portion of capital debt	<u>607,306</u>
Total current liabilities	<u>3,131,422</u>
Noncurrent liabilities	
Net pension liability	2,388,444
Capital debt, net of current portion	<u>23,204,154</u>
Total noncurrent liabilities	<u>25,592,598</u>
Total liabilities	<u>28,724,020</u>
Net position	
Net invested in capital assets	19,386,955
Restricted	1,056,597
Unrestricted	<u>5,154,162</u>
Total net position	<u>25,597,714</u>
Total liabilities and net position	<u>\$ 54,321,734</u>

See Notes to Financial Statements.

Housing Authority of the Town of Greenwich

**Statement of Revenue, Expenses and Changes in Net Position
Year Ended December 31, 2017**

Operating revenue	
Tenant rental revenue, net	\$ 9,838,166
Tenant revenue - other	<u>21,891</u>
Total tenant revenue	9,860,057
HUD rental assistance subsidy	7,342,663
Other	<u>670,114</u>
Total operating revenue	<u>17,872,834</u>
Expenses	
Administration	3,815,447
Tenant services	1,028,359
Utilities	1,287,893
Maintenance and operations	1,497,581
Maintenance contracts	1,141,561
Insurance	593,931
PILOT/real estate taxes	371,537
Housing assistance payments	5,513,321
Depreciation	<u>1,895,402</u>
Total expenses	<u>17,145,032</u>
Operating income (loss)	<u>727,802</u>
Non-operating revenue (expenses)	
Capital grant funds	1,025,731
Interest income	47,328
Interest expense	<u>(716,959)</u>
Total non-operating revenue (expenses)	<u>356,100</u>
Change in net position	<u>\$ 1,083,902</u>
Change in net position	
Net position, beginning of year	\$ 24,513,812
Change in net position for the year	<u>1,083,902</u>
Net position, end of year	<u>\$ 25,597,714</u>

See Notes to Financial Statements.

Housing Authority of the Town of Greenwich

Statement of Cash Flows Year Ended December 31, 2017

Cash flows from operating activities	
Sources	
Tenant revenue, net	\$ 9,919,495
HUD rental assistance subsidy	6,841,753
Uses	
Administrative	(3,162,715)
Tenant services	(1,028,359)
Utilities	(1,317,608)
Maintenance and operations	(1,485,921)
Maintenance contracts	(1,159,727)
Insurance	(309,363)
PILOT/real estate taxes	(371,537)
Housing assistance payments	(5,513,321)
Tenant security deposits, net	<u>4,269</u>
Net cash provided by operating activities	<u>2,416,966</u>
Cash flows from investing activities	
Short term investments withdrawals, net	47,328
Project reserves deposits, net	(50,555)
Repayment of notes receivable	<u>499,700</u>
Net cash provided by investing activities	<u>496,473</u>
Cash flows from capital and related financing activities	
Principal paid on capital debt	(591,031)
Proceeds from capital debt	3,939,155
Interest paid	(689,445)
Expenditures on capital assets	(5,842,866)
Proceeds from capital grants	<u>1,025,731</u>
Net cash used in capital and related financing activities	<u>(2,158,456)</u>
Net increase in cash and cash equivalents	754,983
Cash and cash equivalents, beginning	<u>5,284,754</u>
Cash and cash equivalents, ending	<u>\$ 6,039,737</u>

Housing Authority of the Town of Greenwich

**Statement of Cash Flows
Year Ended December 31, 2017**

Reconciliation of change in operating income to net cash provided by operating activities	
Operating income	\$ 727,802
Adjustments to reconcile change in operating income to net cash provided by operating activities	
Depreciation	1,895,402
Changes in	
Accounts receivable	74,433
Prepaid expenses	284,568
Accounts payable	(151,057)
Accrued expenses	103,020
Prepaid rental revenue - subsidy	26,394
Tenant security deposits, net	4,269
Accounts payable - other government	(20,561)
Deferred inflows of resources	<u>(527,304)</u>
Net cash provided by operating activities	<u><u>\$ 2,416,966</u></u>

See Notes to Financial Statements.

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

Note 1 - Summary of organization, significant accounting policies and reporting entity

Organization

The Housing Authority of the Town of Greenwich (the "Authority") was created pursuant to Section 8-40 of the Connecticut General Statutes. The Authority reports its activities on an enterprise fund basis. The Authority has contracted with the Federal Government, acting through the U.S. Department of Housing and Urban Development ("HUD"), for financial assistance for low-income public housing pursuant to the United States Housing Act of 1937, as amended. The Authority has also contracted with the State of Connecticut, Department of Economic and Community Development ("DECD") for financial assistance for elderly and moderate rental housing projects in the form of capital grants and/or loans pursuant to Section 8-70 and 8-114a of the Connecticut General Statutes.

Reporting entity

Government Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of these Statements, the Authority is considered a primary government, since 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.

The Authority's combined financial statements include the accounts of all Authority operations. The criteria for including organizations as component units with the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include the following:

- The organization is legally separate (can sue and be sued in their own name)
- The Authority holds the corporate powers of the organization
- The Authority appoints a voting majority
- The organization has the potential to impose a financial benefits/ burden on the Authority
- There is fiscal dependency by the organization on the Authority

The basic financial statements of the Authority (the "primary government") include all of its financial activities. These financial statements include three blended component units - Greenwich Close Apartments, LLC, Quarry Knoll II Corporation, Town Hall Annex Corporation and a nonprofit entity in which the Authority is the sole voting member, Oaktree, Inc.

The financial operations of Town Hall Annex Corporation ("Corporation") include two blended component units - Town Hall Annex Limited Partnership ("THALP") and Parsonage Cottage Senior Residence Limited Partnership ("Parsonage").

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Description of a Public Housing Authority

Funding for the Housing Authority of the Town of Greenwich is primarily from HUD and from payments received from tenants of the Authority - owned housing. Under the Low Rent Public Housing Program, low-income tenants pay a portion of the rental cost of public housing, based upon the income and need of the tenants. HUD funds the difference between the actual costs to operate the Low Rent Housing Program and the amounts paid by tenants through operating subsidies. These subsidies and debt service payments are made to or on behalf of the Authority under the terms and conditions of the annual contributions contract with HUD.

The Section 8 Housing Assistance Payments Program provides rental supplements to the owners of existing private housing who rent to qualifying individuals. The Authority processes all applicants for the Section 8 Housing Assistance Payments Program, places approved applicants in housing and pays the owner of the private housing a monthly rental supplement. Under the conditions of an annual contributions contract, HUD reimburses the Authority for the rental supplements and the administrative cost of managing the Program.

Scope of operations

At December 31, 2017, the Authority operated the following projects:

Federal Projects

<u>Authority Owned Housing</u>	<u>Units</u>
CT19-1 Wilbur Peck	110
CT19-2 Quarry Knoll I	50
CT19-3 Agnes Morley Heights	150

Other Projects

CT19-4 Greenwich Close	17
	<hr/>
	327

Housing Assistance Payments Program

Housing Choice Voucher CT019V00006/000 (Contract B-2041)	<hr/>
	343

State Projects

MR-9 Adams Gardens	80
MR-32 Armstrong Court	144
MR-III McKinney Terrace I	21
E-186 McKinney Terrace II	51
	<hr/>
	296

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

<u>Greenwich Close Apartments, LLC</u>	<u>Units</u>
Greenwich Close (market units)	<u>113</u>
 <u>Other Projects</u>	
85 Strickland Road (included in Management Fee program)	3
Adams Garden II	<u>11</u>
	<u>14</u>
 <u>Town Hall Annex Corporation</u>	
87-89 Strickland Road	2
Edgewood Avenue	7
Five Duplex Buildings - Various Locations	10
Blended Component Units:	
THALP	28
Parsonage	<u>40</u>
	<u>87</u>
 <u>Quarry Knoll II Corporation</u>	
Quarry Knoll II Project (5 Buildings)	<u>40</u>
 Total units	 <u><u>1,220</u></u>

Revolving fund

A Revolving Fund has been established to provide a convenient method for the payment of items chargeable to any or all funds and projects of the Authority. Deposits have been made to the Revolving Fund from the various funds and projects and have been reflected as interprogram due from/to and accounts receivable/payable - other government on the accompanying financial statements. The Revolving Fund is reimbursed twice monthly for items paid from the fund and charged to the individual funds and projects.

Accounting method and basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Authority has adopted the provisions of GASB Statement No. 34 for its financial reporting model.

Accounting method

Refers to when revenue and expenses are recognized in the accounts and reported in the basic financial statements, and relates to the timing of measurements made regardless of the measurement focus applied.

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Basis of presentation

The accounts of the Authority are organized on the basis of individual funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenue and expenses. Authority resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be used and the means by which activities are controlled.

The Authority has elected to report as a single enterprise proprietary fund and its primary operations comprised a number of housing and grant programs as follows:

Section 8 Housing Choice Vouchers Program is used to account for the operations of a low-income housing program funded by HUD. Rental assistance payments are made by the Authority primarily to landlords on behalf of qualifying residents.

Low-Income Public Housing Program is used to account for the operations of providing public housing in Authority-owned buildings to residents who qualify by meeting certain established criteria.

State Moderate Rent is used to account for the operations of providing affordable housing in which Authority-owned buildings were financed through the State of Connecticut, Department of Community and Economic Development.

Elderly Housing is used to account for the operations of providing affordable housing to the elderly in the Authority-owned housing property known as McKinney Terrace II.

Revolving Fund - provides a common payment system for the other Authority-owned operations.

Blended component units

Town Hall Annex Corporation and Quarry Knoll II Corporation are both nonprofit corporations which own and operate low- and moderate-income housing. The Authority formed these corporations to own and operate the housing units. The governing body of each corporation is the same as the Authority's.

Town Hall Annex Corporation ("THAC") originally owned a .5% partnership interest in Town Hall Annex Limited Partnership ("THALP") and a .10% interest in Parsonage Cottage Senior Residence Limited Partnership ("Parsonage"). THAC is also the general partner of each of these partnerships. Due to THAC's financial and operational control of Parsonage, Parsonage's net assets and revenue and expenses are included in the Town Hall Annex component unit. Effective December 31, 2007, THAC acquired an additional 68.6% partnership interest in THALP through the contribution of seven of the limited partners' partnership interests to THAC. As a result, THAC assumed control of THALP as of December 31, 2007. THALP's assets, liabilities and net position as of December 31, 2017, and revenue and expenses for 2017, are included as blended component units in the Town Hall Annex component unit. Effective December 29, 2010, the remaining limited and the other general partner have contributed their remaining partnership interest to THAC. As a result of this, THAC has assumed 100% control of THALP.

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

Greenwich Close Apartments, LLC provides public and market rate housing to qualifying tenants in the property of the same name. The sole member of Greenwich Close Apartments, LLC is wholly-owned by the Authority.

Other programs

Other programs include Management Fee, Capital Fund Program and Home Ownership, and Oaktree, Inc. The Management Fee program includes 85 Strickland Road and Adams Garden II projects.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of all the Authority's enterprise funds are charges to tenants for providing housing and related services, and subsidies from federal and state agencies for these same services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Budgetary control

Federal and state program budgets are prepared on a detailed line item basis. Revenue are budgeted by source and expenses are budgeted by type. The program budgets are subject to approval by federal and state funding agencies.

Pensions

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 Connecticut Municipal Employees Retirement System ("CMERS") and addition to/deductions from fiduciary net position have been determined on the same basis as they are reported by CMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Cash and cash equivalents

Cash is maintained in two investment pools (operating and security deposits). In addition, non-pooled cash is held separately and reflected in their respective programs. Cash equivalents are investments with original maturities of three months or less from the date of acquisition, and are reported at cost which approximates fair value.

Investments

Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost or carrying value which approximates fair value. Investments in securities and mutual funds are reported at market. Investments that do not have an established market are reported at estimated fair value. In determining realized gains or losses on sales of investments, cost is determined by specific identification.

Restricted assets

Certain assets may be classified as restricted assets on the statement of net position because their use is restricted by contracts or agreements with outside third parties and lending institutions.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Accounts receivable and bad debts

Receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Land, structures and equipment

Land, structures and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair value at the date of transfer. Donated assets are recorded at estimated market value as of the date of the donation.

Depreciation of capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation as follows:

	<u>Years</u>
Buildings and improvements	25 - 40
Site improvements	15
Apartment renovations	10
Dwelling equipment	7
Office and maintenance equipment	5 - 7
Automobiles and trucks	5

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed.

Impairment of long-lived assets

In accordance with GASB 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries," prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written off. No such impairment loss was incurred during the current year.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report 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/expenditure) until then. The Authority reports the deferred outflow related to pensions in this category. The deferred outflow related to pension is related to contributions made by the Authority after the measurement date and the net difference between projected and actual earnings of the pension plan investments. The deferred outflow related to pension is related to contributions made by the Authority after the measurement date will be recognized as pension expense in the next fiscal year and the net difference between projected and actual earnings of the pension plan investments will be amortized over a four-year period.

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

In addition to liabilities, the statement of net position will sometimes report 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.

Tenant rental revenue

Revenue from rental charges to residents is recognized ratably over the terms of the lease agreements, which are generally on a 12-month basis.

Grant funds

Grant income received is recognized as income based on satisfying any applicable restrictions. Grants received by the Authority are recognized as unrestricted support upon satisfaction of donor-imposed restrictions. Temporarily restricted net assets represent grants for which donor imposed restrictions have not been met.

The Authority has a policy of releasing any restrictions on donated assets when the asset is placed in service.

Interprogram receivables/payables

Transactions between programs that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interprogram due from/to in the accompanying statement of net position. In addition, the management fee revenue and expense between programs have been eliminated.

Compensated absences

Employees accumulate vacation and sick leave hours for subsequent use or payment upon termination. Sick leave, vacation pay and termination pay is accrued when incurred and reported as a program liability.

Income taxes

The Authority is not subject to federal or state income taxes, nor is it required to file federal or state tax returns. Quarry Knoll II Corporation, Town Hall Annex Corporation and Oaktree, Inc. are generally exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are generally exempt from income taxes pursuant to Section 501(a) of the Code. THALP and Parsonage are not subject to federal or state income taxes as each partner includes its allocated shares of net income or loss on its own return.

Equity classifications

Equity is classified as net position and displayed in three components:

- a. Net invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net invested in capital assets."

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

New accounting pronouncements

The GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* effective for fiscal years beginning after June 15, 2017. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, No. 73* effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 83, *Certain Asset Retirement Obligations (AROs)* effective for reporting periods beginning after June 15, 2018. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 84, *Fiduciary Activities* effective for reporting periods beginning after December 15, 2018. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 85, *Omnibus 2017* effective for periods beginning after June 15, 2017. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 86, *Certain Debt Extinguishment Issues* effective for reporting periods beginning after June 15, 2017. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 87, *Leases* effective for reporting periods beginning after December 15, 2019. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* effective for reporting periods beginning after June 15, 2018. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

The GASB has issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* effective for reporting periods beginning after December 15, 2019. The Authority will evaluate this new standard and determine to what extent it has an impact on the financial statements.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Commissioners

The following Commissioners served as the governing body of the Housing Authority of the Town of Greenwich at December 31, 2017:

<u>Name</u>	<u>Title</u>	<u>Term expires</u>
Sam Romeo	Chairman	7/31/2021
Abelardo Curdumi	Vice-Chairman	7/31/2022
Cathy Landy	Tenant Commissioner	7/31/2020
Robert Simms, Jr.	Tenant Commissioner	7/31/2022
Vincent DeFina	Commissioner	7/31/2022
James Boutelle	Commissioner	7/31/2022
Angelo Pucci	Commissioner	7/31/2018

Note 2 - Cash and investments

The Authority's Cash Management and Investment Policy (written and formally adopted) is based on mandatory regulations of the HUD and those of the Connecticut General Statutes. These regulations place certain limitations on the nature of deposits and investments available to the Authority. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain prescribed levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by the U.S. Government or agencies that have a maturity of less than one year from the date of purchase and repurchase agreements collateralized by such securities with maturity dates of no more than 90 days from the date of purchase.

Deposits

Cash and cash equivalents \$ 6,039,737

Custodial credit risk - deposits

The Authority uses one bank (the "Primary Bank") for the bulk of its deposits including tenant security deposits and investments. The Primary Bank is required to execute the HUD mandated General Depository Agreement ("Form HUD-51999"). A key provision of the Agreement is the collateralization of all the Authority's deposits and investments with U.S. government securities in the Authority's name and held by a third party. The Primary Bank also maintains accounts on behalf of the Authority's component units.

Concentration of credit risk

The Authority's Cash Management and Investment Policy directs that investments will be limited to direct obligations of the Federal Government (U.S. Treasury Bills, U.S. Treasury Notes and Bonds), Obligations of Federal Government Agencies, and Securities of Government Sponsored Agencies, Money-Market Deposit Accounts and Repurchase Agreements.

Interest rate risk

The Authority's Cash Management and Investment Policy limits investments to those capable of being liquidated on one day's notice and to securities maturing in periods of up to one year.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Project reserves

Greenwich Close Apartments, LLC's mortgage agreement with the Department of Housing and Urban Development ("HUD") requires the project to maintain certain reserves (see Note 7). Such reserves are held and administered by the mortgage servicer, and total \$670,934. As such, these reserves are subject to the cash management and investment policy of HUD, which is not stated in these notes.

The Quarry Knoll II Corporation mortgage agreement with the Connecticut Housing Finance Authority ("CHFA") requires the project to maintain certain reserves (see Note 7). Such reserves are held and administered by CHFA, and total \$1,552,655. As such, these reserves are subject to the cash management and investment policy of CHFA, which is not stated in these notes.

Town Hall Annex Corporation maintains a reserve for replacements. The reserve balance at December 31, 2017 is \$665,352.

Parsonage Cottage Senior Residence Limited Partnership maintains a reserve for replacements. This reserve totals \$129,468 at December 31, 2017, as is included in cash - restricted on the accompanying statement of net position.

Note 3 - Accounts receivable - tenants

	Federal Low-Income Housing	State Program	Greenwich Close Apartments, LLC	Quarry Knoll II	Town Hall Annex*	Other	Total
Accounts receivable	\$ 54,929	\$ 24,914	\$ 33,787	\$ -	\$ 66,771	\$ -	\$ 180,401
Allowance for doubtful accounts	(38,185)	(16,227)	-	-	-	-	(54,412)
Net	<u>\$ 16,744</u>	<u>\$ 8,687</u>	<u>\$ 33,787</u>	<u>\$ -</u>	<u>\$ 66,771</u>	<u>\$ -</u>	<u>\$ 125,989</u>

The allowance for doubtful accounts is based on management's estimates of the amounts to be uncollected.

* Town Hall Annex includes Town Hall Annex Limited Partnership and Parsonage Cottage Senior Residence Limited Partnership (92% of which comprises of DSS payments paid one month in arrears).

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Note 4 - Interprogram receivables and payables

The following is a summary of the interprogram receivables and payables at December 31, 2017:

	Receivable	Payable
Low-Income Public Housing	\$ 1,153	\$ 101,117
State Moderate Rental	378,721	8,807
Section 8 Housing Choice Vouchers	-	36,572
Revolving Fund	505,111	1,247,928
Management Fee Account	985,004	412,652
Capital Fund Program	-	9,182
Home Ownership	220,232	-
State Elderly Housing	8,774	282,737
	\$ 2,098,995	\$ 2,098,995

The interprogram receivables and payables are eliminated in the accompanying financial statements.

Note 5 - Receivables and payables with other governments

The following is a summary of the accounts receivable - other government at December 31, 2017. The listed entities are related to the Authority by common board membership and management. For some of the entities, an affiliate of the Authority serves as the general partner of the limited partnership.

	Receivable	Payable
Revolving Fund	\$ 788,934	\$ 354,278
Town Hall Annex	513,810	739,970
Quarry Knoll II	36,524	199
Greenwich Close LLC	98,618	660,713
Management Fee	807,043	199,775
Low-Income Public Housing	878	277,157
Section 8 Housing Choice Vouchers	-	13,403
State Moderate Rental	-	70
Oaktree, Inc.	-	242
	2,245,807	2,245,807
Total related parties		
Payment in lieu of taxes ("PILOT")/ real estate taxes (non-affiliated)	-	288,285
Total receivables/payables - other government	\$ 2,245,807	\$ 2,534,092

The related parties' receivables and payables with other governments are eliminated in the accompanying financial statements.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Note 6 - Capital assets

A roll-forward of capital assets for 2017 is as follows:

	Balance December 31, 2016	Additions	Deletions	Reclassification/ Adjustments	Balance December 31, 2017
Land and land improvements	\$ 8,391,748	\$ 439,124	\$ -	\$ -	\$ 8,830,872
Buildings	59,928,935	4,450,837	-	-	64,379,772
Furniture, equipment and machinery - dwelling	2,039,544	78,177	-	-	2,117,721
Furniture, equipment and machinery - administrative	722,731	(11,127)	-	-	711,604
Construction in progress	945,931	885,855	-	-	1,831,786
	72,028,889	5,842,866	-	-	77,871,755
Less: Accumulated depreciation	<u>(32,777,938)</u>	<u>(1,895,402)</u>	<u>-</u>	<u>-</u>	<u>(34,673,340)</u>
Net balance	<u>\$ 39,250,951</u>	<u>\$ 3,947,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,198,415</u>

Construction in progress represents costs incurred on open development projects or on major capital improvement projects. These projects were at various stages of completion at December 31, 2017. Upon completion, these costs will be reclassified to buildings and will be depreciated over their estimated useful lives.

Note 7 - Capital debt and notes payable

Capital debt at December 31, 2017 consisted of the following:

State moderate rental housing programs

Mortgage and rehabilitation loans	
Beginning balance	\$ 1,171,473
Debt retirement	<u>(61,552)</u>
	1,109,921
Less: Current portion	<u>(63,419)</u>
	<u>\$ 1,046,502</u>

The loans require quarterly payments of principal and interest. The loans bear interest at a rate of 3% per annum, mature in years 2018 through 2030, and are secured by the rental property.

Greenwich Close Apartments, LLC

Greenwich Close Apartments, LLC entered into a \$17,500,000 HUD insured mortgage to refinance the bonds outstanding on the Greenwich Close project. The mortgage note is collateralized by a deed of trust on the rental property. The note bears interest at the rate of 3.33% per annum. Principal and interest are payable by the corporation in monthly installments of \$70,613 through maturity on June 1, 2047.

Under agreements with the mortgage lender and FHA, the corporation is required to make monthly escrow deposits for taxes, insurance and replacement of project assets, and is subject to restrictions as to operating policies, rental charges, operating expenditures and distributions.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

The liability of the corporation under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

The outstanding mortgage balance at December 31, 2017 is as follows:

HUD	\$ 15,560,085
Less: Current portion	<u>(322,601)</u>
	<u>\$ 15,237,484</u>

Quarry Knoll II Corporation

The mortgage is payable to CHFA, is collateralized by the land and building owned by the Corporation and is insured by HUD. The monthly installments for principal and interest are \$9,481 with a maturity date of May 1, 2020. Interest is being charged at a rate of 8% per annum. The Corporation also pays into an escrow account to provide for hazard and liability insurance and mortgage insurance payments when they become due. These escrowed accounts are reflected as a component of project reserves on the accompanying statement of net position and total \$87,758 at December 31, 2017.

Under its regulatory agreement with HUD, the Corporation is required to make monthly payments into a reserve for replacements account held by CHFA. The reserve may be drawn against (subject to approval by HUD) to fund replacements of fixed assets and major improvements to the property. Required payments into the escrow were \$19,855 during 2017. The Corporation is also required to deposit into the residual receipts reserve, cash balances in excess of current operating needs as defined by HUD. There was no required deposit to the residual receipts reserve in 2017. At December 31, 2017, the balance in the reserve for replacements was \$518,714, the balance in the residual receipts was \$946,183 and such amounts are reflected as a component of project reserves on the accompanying statements of net position.

Mortgage balances at December 31, 2017 are:

CHFA	\$ 249,199
Less: Current portion	<u>(97,351)</u>
	<u>\$ 151,848</u>

Town Hall Annex Corporation

The purchase of the Edgewood Avenue apartment building was financed by an adjustable rate note payable to the Putnam Trust Company of Greenwich. The note is for a 30-year term with an adjustable interest rate which at December 31, 2017 was 2.625%. The rate cannot be increased or decreased by more than 1% each year and can never exceed 13.625%. The note is secured by the property and requires monthly payments of principal and interest.

Mortgage balances at December 31, 2017 are:

Edgewood	\$ 49,850
Less: Current portion	<u>(27,809)</u>
	<u>\$ 22,041</u>

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Town Hall Annex Corporation and the Authority, through the Management Fee program, purchased 85-87 Strickland Road and 89 Strickland Road, respectively. The purchases were financed with a 30-year note payable in the amount of \$2,200,000, at an interest rate of 3.125% to Fieldpoint Bank. Additionally, the proceeds were used to repay the notes payable to Wells Fargo (formerly Wachovia Bank) and Chase Home Finance for Oakridge, Ritch and Columbus Avenues, and Homestead. The note is secured by 85-87 Strickland Road, 89 Strickland Road, and additionally secured by the Oakridge, Ritch and Columbus Avenues, and Homestead properties, and requires monthly payments of principal and interest.

Adams Garden II

Included in the Management Fee Program is Adams Garden II's new construction of 11 units. Construction was financed with a 30-year note payable in the amount of \$4,115,000, at an interest rate of 3.875% to The First Bank of Greenwich. Interest only monthly payments are required prior to permanent loan conversion. The note is secured by the property and requires monthly payments of principal and interest upon conversion to permanent financing. Permanent conversion is expected to occur in 2018.

Mortgage balances at December 31, 2017 are:

	Town Hall Annex Corporation	Management Fee Program (85 Strickland Road)	Management Fee Program (Adams Garden II)	Total
Fieldpoint Bank	\$ 947,166	\$ 1,026,096	\$ -	\$ 1,973,262
The First Bank of Greenwich	-	-	3,939,155	3,939,155
Less: Current portion	(25,042)	(27,128)	-	(52,170)
	<u>\$ 922,124</u>	<u>\$ 998,968</u>	<u>\$ 3,939,155</u>	<u>\$ 5,860,247</u>

Parsonage Cottage Senior Residence Limited Partnership

Parsonage has a promissory note, at 6% per annum interest, payable to the Town of Greenwich with an outstanding balance of \$619,314 at December 31, 2017. The note, entered into on April 17, 1997, is for 30 years with monthly interest and principal payments of \$6,885.

Parsonage has an additional promissory note at 4% per annum interest payable to the Town of Greenwich with an outstanding balance of \$310,674 at December 31, 2017. The loan is from Community Development Block Grant funds the town received in connection with the rehabilitation of the project. The note, entered into on April 17, 1997, is for 30 years with monthly interest and principal payments of \$3,226.

On May 18, 2016, the Town of Greenwich amended its two promissory notes for Parsonage Cottage decreasing the interest rates from 6% and 4% to 1% and 0%, respectively, and decreasing the monthly interest and principal payments from \$6,885 and \$3,226 to \$2,848 and \$1,320, all respectively, effective January 1, 2016.

The above mentioned notes are secured by mortgages and security agreements covering the property. Certain of the notes are also secured by assignments of leases, rents and profits. The liability of the Parsonage under the notes is limited to the underlying value of the real estate collateral.

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

Following are the principal payments required for the next five years and thereafter:

Loan	2018	2019	2020	2021	2022	2023 - 2027	2028 - 2032	2033 - 2037	2038 - 2052	Total
State of Connecticut	\$ 63,419	\$ 65,343	\$ 67,326	\$ 69,368	\$ 71,473	\$ 391,237	\$ 381,755	\$ -	\$ -	\$ 1,109,921
Greenwich Close	322,601	333,509	344,786	356,444	368,496	2,038,024	2,406,685	2,842,033	6,547,507	15,560,085
CHFA	97,351	105,431	46,417	-	-	-	-	-	-	249,199
Parsonage	43,956	44,239	44,524	44,812	45,103	229,984	237,710	239,660	-	929,988
Edgewood	27,809	22,041	-	-	-	-	-	-	-	49,850
Fieldpoint Bank	52,170	53,824	55,530	57,290	59,106	324,855	379,717	443,844	546,926	1,973,262
The First Bank of Greenwich	-	70,888	73,685	76,591	79,612	455,939	535,048	659,210	1,988,182	3,939,155
Total	\$ 607,306	\$ 695,275	\$ 632,268	\$ 604,505	\$ 623,790	\$ 3,440,039	\$ 3,940,915	\$ 4,184,747	\$ 9,082,615	\$ 23,811,460

Following are the interest payments required for the next five years and thereafter:

Loan	2018	2019	2020	2021	2022	2023 - 2027	2028 - 2032	2033 - 2037	2038 - 2052	Total
State of Connecticut	\$ 32,588	\$ 30,664	\$ 28,682	\$ 26,639	\$ 24,535	\$ 88,801	\$ 26,281	\$ -	\$ -	\$ 258,190
Greenwich Close	524,753	513,845	502,568	490,909	478,857	2,198,743	1,830,082	1,394,734	1,157,126	9,091,617
CHFA	16,421	8,341	933	-	-	-	-	-	-	25,695
Parsonage	6,064	5,782	5,497	5,209	4,918	20,119	12,392	4,270	-	64,251
Edgewood	5,622	3,724	1,697	91	-	-	-	-	-	11,134
Fieldpoint Bank	60,921	59,268	57,561	55,801	53,985	240,601	185,739	121,612	46,802	882,290
The First Bank of Greenwich	152,642	151,392	148,596	145,689	142,668	673,986	557,830	452,192	456,903	2,881,898
Total	\$ 799,011	\$ 773,016	\$ 745,534	\$ 724,338	\$ 704,963	\$ 3,222,250	\$ 2,612,324	\$ 1,972,808	\$ 1,660,831	\$ 13,215,075

Note 8 - Compensated balances

Employees are paid by prescribed formula for vacation, sick leave and personal time at termination. The amount of the outstanding accumulated obligation related to such compensated absences reported by the programs was:

Balance at December 31, 2016	\$ 561,663
Current year increase	33,659
Balance at December 31, 2017	<u>\$ 595,322</u>

Note 9 - Capital grant by the State of Connecticut

The Authority has received financial assistance in the form of capital grants for application to the development costs of its projects. DECD may make advances to the Authority of its capital grant; however, the total of the grant may not exceed the development cost of the project including costs incurred by the State in connection therewith as approved by the Commissioner. No capital grants were received by the Authority in 2017 from DECD.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Note 10 - Capital Fund grant and other federal programs

Capital fund grants

HUD presently funds federal modernization projects under various programs and contract numbers. The status of these programs and contracts is as follows:

	<u>CT 19-501-13</u>	<u>CT 19-501-14</u>	<u>CT 19-501-15</u>	<u>CT 19-501-16</u>	<u>CT 19-501-17</u>	<u>Total</u>
Funds approved	<u>\$ 339,964</u>	<u>\$ 422,650</u>	<u>\$ 431,589</u>	<u>\$ 448,106</u>	<u>\$ 460,714</u>	<u>\$ 2,103,023</u>
Advances	\$ 339,964	\$ 422,650	\$ 431,589	\$ -	\$ -	\$ 1,194,203
Project expenditures	<u>339,964</u>	<u>422,650</u>	<u>431,589</u>	<u>-</u>	<u>-</u>	<u>1,194,203</u>
Excess/(deficiency) of funds advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 11 - Pension plan

Plan description

Substantially all full-time employees participate in the Municipal Employees Retirement System ("MERS"), a cost-sharing multiple employer public employee retirement system ("PERS") established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating members. MERS is considered to be part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. The fiscal year end of the plan is June 30, 2017; however, information relating to the plan included in these notes to the basic financial statements is as of June 30, 2016 as the State's financial reports for fiscal year end June 30, 2017 were not available as of the date of this report.

Any local government authority in the State of Connecticut, including towns, cities, boroughs, regional school districts, housing authorities or other special districts, may elect to participate for one or more of its departments, including elective officers; only teachers who are covered under the Connecticut State Teachers' Retirement System are ineligible. As of July 1, 2010, there were 186 participating local government units (counting departments of municipalities which joined or report separately as separate units).

At June 30, 2016, the MERS membership consisted of:

Active vested members	6,452
Active non-vested members	2,921
Vested terminated plan members	1,035
Retirees and beneficiaries	7,102
Inactive non-vested members	300
	<hr/>
	<u>17,810</u>

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

A summary of financial information related to the plan as of June 30, 2016 is presented below:

Active members	9,373
Annual covered payroll	\$ 566,237,211
Employer's contribution for the year	\$ 81,150,096
Employee's contribution for the year	\$ 20,619,573

Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases between 3% and 5% are paid to disabled members and non-disabled retired members over age 65. Effective January 1, 2002, all other retired members receive a 2.5% annual adjustment until age 65, at which point they will receive the same cost of living adjustment ("COLA") as those currently age 65. For those retiring after December 31, 2001, annual cost of living increases will be between 2.5% and 6.0%. Benefits vest after 5 years of continuous service or 15 years of active aggregate service.

Members who retire after age 55 with 5 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1½% of the three highest paid years' average of earnings not in excess of the year's breakpoint, plus 2% of the three-year average of earnings in excess of the year's breakpoint. The year's breakpoint for 2017 is \$82,500.

Covered employees are required by State statute to contribute 2¼% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan. Employees not covered by Social Security are required to contribute 5% of all earnings.

Summary of significant accounting policies and plan asset matters

Basis of accounting

MERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which employee services are performed.

Method used to value investments

Retirement trust funds can invest in the following investment pools maintained by the State of Connecticut.

Mutual Fixed Income Fund - Investments consist principally of bonds and notes.

Mutual Equity Fund - Investments consist principally of common stocks.

Real Estate Fund - Investments consist principally of interest in commingled equity real estate funds.

Mutual Commercial Mortgage Fund - Investments consist principally of interest in commercial mortgages.

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

Mutual Venture Capital Fund - Investments consist principally of interests in venture capital partnerships which have common stock interests in emerging businesses.

Mutual International Stock Fund - Investments consists principally of international equity securities.

Liquidity Fund - Investments consists principally of money market instruments.

Private Equity - Investments comprised of various limited partnerships, limited liability companies and securities.

Investments in the pooled funds are valued at cost. Market values of the investment pools are determined by the Master Custodian based on the performance of the underlying securities. Investment income is recognized as earned. Gains and losses on sales and redemptions of investments are recognized on the transaction date. There are no investments in any organizations that represent 5% or more of the net assets available for benefits.

Funding status and progress

The actuarial accrued liability is a measure that uses the benefit provisions and is intended to (i) help users assess the plan's funding status on a going-concern basis and (ii) assess progress being made in accumulating sufficient assets to pay benefits when due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the entry age actuarial cost method. Entry age was established by subtracting credited service from current age on the valuation date. Assumptions, including projected pay increases, were the same as those used to determine the annual required contribution between entry age and assumed exit age.

The actuarial value of assets is based on a market-related method that recognizes (i) 20% of any difference between actual and expected investment income (gain/loss) in the valuation year and (ii) 20% of any previous years' unrecognized investment gains/losses. Such smoothed actuarial assets value shall not be less than 80% or greater than 120% of the market value of assets.

- The actuarial accrued liability was determined as part of an actuarial valuation at July 1, 2016.
- Significant actuarial assumptions used include:
 - a) Rate of return on the investment of present and future assets of 8.00% per year compounded annually.
 - b) Projected salary increases of 3.25% per year compounded annually, attributable to inflation.
 - c) Additional projected salary increases ranging from 4.25% to 11.00% per year, attributable to seniority/merit.
 - d) Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases of 3.25% are assumed for those who have reached age 65 and (effective January 1, 2002) increases of 2.5% are assumed for those who have not yet reached age 65. For members that retire after December 31, 2001, increases of 2.5% are assumed, regardless of age.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

- Actuarial Accrued Liability as of July 1, 2016:

Total actuarial accrued liability	\$ 2,840,325,409
Actuarial value of assets	<u>2,445,484,582</u>
Unfunded actuarial accrued liability	<u><u>\$ (394,840,827)</u></u>

Contributions required and contributions made

Each covered municipality is required by State statute to pay an actuarially determined percentage of covered payroll to provide for benefits based on current service. This percentage varies by police and fire versus general employees, and within those two groups, may vary for populations covered by Social Security versus those not covered by Social Security. The statute also requires each municipality to pay an annual amount for benefits based on service prior to the unit's date of participation. This amount is a level dollar amortization (including interest and principal) over varying time periods depending upon the unit's date of participation and other factors.

The contributions are actuarially determined using the entry age normal method. The actuarial assumptions are the same as those used to compute the actuarial accrued liability discussed above. Contributions totaling \$118,156,647 (\$81,150,096 employer and \$20,619,573 employee) were made for the plan year ending June 30, 2016 in accordance with actuarially determined contribution requirements based on an actuarial valuation performed as of July 1, 2016.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At fiscal year end, the Authority reported \$2,388,444 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The Authority's proportionate share of the net pension liability was based upon the Authority's 2016 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. At June 30, 2016, the Authority's proportional share was 1.22%.

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of net pension liability.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

For the fiscal year, the Authority recognized pension expense of \$348,935. At December 31, 2017, the Authority reported deferred outflows of resources related to pensions from the following sources:

Description of outflows	Deferred outflows of resources
Differences between expected and actual experience	\$ 51,473
Changes in proportional share of employer	70,009
Net difference between projected and actual earnings on pension plan investments	694,196
Contributions subsequent to measurement date	179,076
Total	\$ 994,754
Net amount of deferred inflow and outflow excluding Authority contributions subsequent to measurement date	\$ 815,678

The \$179,076 amount reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date was to be recognized as a reduction of the net pension liability in the year ending December 31, 2017.

The net pension liability and deferred outflows of resources related to pensions as of December 31, 2017 have not been adjusted due to the State's financial reports for the fiscal year end June 30, 2017 not being available as of the date of this report.

Other amounts reported as deferred outflows of resources related to pensions were be recognized in pension expense as follows:

Year ending December 31,	
2017	\$ 181,369
2018	181,369
2019	281,569
2020	171,371
Total	\$ 815,678

The net pension liability and deferred outflows of resources related to pensions as of December 31, 2017 have not been adjusted due to the State's financial reports for the fiscal year end June 30, 2017 not being available as of the date of this report.

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

Discount rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made at the actuarially determined rates in future years. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 8.00% assumed 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.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the Authority's proportional share of the net pension liability of the MERS, calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% decrease (7.00%)	Current discount (8.00%)	1% increase (9.00%)
Authority's proportional share of the net pension liability	\$ 4,888,330	\$ 2,388,444	\$ 283,347

Plan fiduciary net position

Detailed information about the Connecticut Municipal Employees Retirement System plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2016.

Note 12 - Defined contribution plan

The Authority established a deferred compensation plan effective July 1, 1997, created in accordance with Section 457 of the Internal Revenue Code. The defined contribution plan is not available to employees until termination, retirement, death or unforeseeable emergency.

The Authority replaced the Section 457 plan with a defined contribution plan effective July 1, 1998, created in accordance with Section 403(b) of the Internal Revenue Code. The 403(b) defined contribution plan is also not available to employees until termination, retirement, death or unforeseeable emergency.

The Authority then replaced the Section 403(b) plan with a defined contribution plan created in accordance with Section 457(b) of the Internal Revenue Code. The plan permits employees to defer compensation up to 20% of their salary, or a maximum of \$18,500 (for 2017) and the Authority provides a 50% match up to \$2,500 per year per employee. A third-party plan administrator coordinates the investment of deferred compensation amounts in certain pooled funds or annuity programs chosen by individual participants. Under the plan, the Authority is responsible for exercising "due care" in selecting a third-party administrator.

At December 31, 2017, the cumulative employee and employer contributions and related earnings of the Section 457(b) plan was \$3,841,979. During 2013, the Section 403(b) Plan was terminated.

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

Note 13 - Other post-employment benefits

In addition to pension benefits described above, eligible retirees, terminated employees and their dependents may purchase post-employment benefits for health care and dental insurance. The Authority does not fund the benefits. The benefits are provided in accordance with Authority policies and the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA").

Note 14 - Commitments and obligations and guarantees

The Authority has guaranteed (on behalf of Town Hall Annex Corporation) funding of operating deficits of the Parsonage Cottage Senior Residence, L.P., to the extent they exceed the operating deficit reserves. The maximum liability under this agreement is \$750,000. As of December 31, 2017, advances totaling \$519,506 remain outstanding.

Note 15 - Contingent liabilities

The Authority has received funds from various federal, state and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amounts, if any, to materially affect the basic financial statements.

Note 16 - Notes receivable

The Authority funded second mortgages to qualified purchasers of homes. The loans are noninterest-bearing and are payable upon the sale or transfer of the property. During 2017, \$499,700 was repaid. The amount receivable is \$44,000 at December 31, 2017.

THAC has a note receivable from THALP of \$206,507. THAC loaned THALP these funds to finance the renovations to the Town Hall Annex building. Interest on the note accrues at a rate of 8%, with the principal and interest payable at the time the Town Hall Annex building is sold. Accrued interest receivable totals \$647,208 at December 31, 2017. This note and accrued interest are eliminated since THALP is included as a part of the THAC component unit in the accompanying basic financial statements.

Note 17 - Due to affiliate

The Authority was advanced funds from an affiliate in prior years. As of December 31, 2017, \$14,433 is owed to the affiliate. The amount is unsecured, noninterest-bearing and payable on demand.

Note 18 - Restricted net position

In November 2004, the Authority received \$420,000 from the Town of Greenwich in Community Development Block Grant funds. These funds were used to provide homeownership assistance at the Hollow Wood Development to four low- and moderate-income households which may be in the form of a loan to each household secured by a second mortgage, or any other form of financial assistance or mechanism. Any repayment of the loans by the homeowners, prior to the expiration of the 40 years from the time of initial occupancy, are to be used to issue additional loans or financial assistance to qualified low- and moderate-income households. In the event that no qualified households are available to purchase units at Hollow Wood prior to year 2044, all amounts received

Housing Authority of the Town of Greenwich

Notes to Financial Statements December 31, 2017

from loan repayments will be returned to the Town, after reasonable administrative fees to the Authority. In previous years, four loans were made to qualified households totaling \$420,000, of which \$376,000 was repaid during 2017. Since these funds were to be used continuously for 40 years to fund home purchases at Hollow Wood, they are classified as restricted under the homeownership program.

During 2015, Quarry Knoll II Corporation, the non-profit sponsor of Armstrong Court, entered into a Housing Tax Credit Contribution Agreement with the Connecticut Housing Finance Authority, to obtain a reservation of state tax credits in the amount of \$500,000. In December 2015, the tax credits were sold for \$500,000. On September 1, 2017, this \$500,000 was transferred to OakTree, Inc., an affiliate of the Authority, as approved by CHFA and HUD. Such proceeds are included as cash and cash equivalents - operations and temporarily restricted net assets on the statement of financial position. The \$500,000 will be loaned to Armstrong Court to finance rehabilitation costs.

Note 19 - Management fee revenue

The Authority provides property management services to its affiliated properties. For 2017, management fee revenue of \$66,586 was recorded from Quarry Knoll II Corporation and Town Hall Annex Administration Fund. Such fees are earned as a percentage of rental income of the projects and are approved by the regulatory agencies of the properties. Fees receivable at December 31, 2017 total \$199 and are included as a component of accounts receivable - other government in the accompanying statement of net position. Accordingly, revenue and expense transactions and related assets and liabilities between the Authority and its blended component units have been eliminated in the accompanying financial statements.

The Authority provides property management services to Parsonage. For 2017, management fee revenue of \$116,838 was recorded from Parsonage. Such fees are earned as a percentage of rental income of the project. Fees receivable at December 31, 2017 total \$425,027 and are included as a component of accounts receivable - other government in the accompanying statement of net position. Accordingly, revenue and expense transactions and related assets and liabilities between the Authority and its blended component units have been eliminated in the accompanying financial statements.

Prior to 2016, management fees of \$1,136,870 were earned related to Parsonage Cottage. As of December 31, 2017, there have been no payments to the Authority for these fees. At December 31, 2017, the Authority is due \$1,136,870. These balances are included as deferred management fees liability in the Town Hall Annex component unit of the accompanying financial statements. These balances have been eliminated in the accompanying financial statements. The Authority has fully allowed for the receivable balances at December 31, 2017 due to the uncertainty of collection.

The Authority provides management services to Greenwich Close Apartments, LLC. Such fees are earned as a percentage of rental income. The fee totaling \$77,878 has been eliminated in the accompanying financial statements. Fees receivable at December 31, 2017 total \$334,461, are included as a component of accounts receivable - other government in the accompanying statement of net position, and are eliminated in consolidation.

Note 20 - Litigation

The Authority is party to various claims and/or litigation (both as a plaintiff and a defendant). As of December 31, 2017, there are no un-accrued claims, assessments, or litigation against the Authority that management believes will have a material effect on the financial statements. Claims

Housing Authority of the Town of Greenwich

**Notes to Financial Statements
December 31, 2017**

that differ from the agreed contract price are not recognized unless the claims are probable and reliably estimated.

Note 21 - Subsequent events

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

Independent Auditor's 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

To the Board of Commissioners
The Housing Authority of the Town of Greenwich

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the Town of Greenwich, which comprise the statement of net position as of December 31, 2017, and the related statements of revenue, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2018, which was qualified as indicated on page 3 for the matter discussed in the "Basis for Qualified Opinion" paragraph on page 3. The consolidated financial statements of certain subsidiaries and affiliates were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of nonreportable compliance associated with the subsidiaries and affiliates.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

CohnReznick LLP

Boston, Massachusetts
September 20, 2018

Independent Auditor's Report on Compliance for Each Major Federal Program and on
Internal Control over Compliance Required by the Uniform Guidance

To the Board of Commissioners
The Housing Authority of the Town of Greenwich

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the Town of Greenwich's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the Town of Greenwich's major federal programs for the year ended December 31, 2017. The Housing Authority of the Town of Greenwich's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the Town of Greenwich's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the Town of Greenwich's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of its major federal programs. However, our audit does not provide a legal determination of the Housing Authority of the Town of Greenwich's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the Town of Greenwich complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the Housing Authority of the Town of Greenwich is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the Town of Greenwich's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Greenwich's internal control over compliance.

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

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

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



Boston, Massachusetts
September 20, 2018

Housing Authority of the Town of Greenwich

**Schedule of Findings and Questioned Costs
December 31, 2017**

A. Summary of Auditor's Results

1. The auditor's report expresses a qualified opinion on the basic financial statements of the Housing Authority of the Town of the Greenwich.
2. No significant deficiencies related to the audit of the financial statements were reported in the Independent Auditor's 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*. No material weaknesses were reported.
3. No instances of noncompliance material to the basic financial statements of the Housing Authority of the Town of the Greenwich were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The Auditor's report on compliance for the major federal award programs for the Housing Authority of the Town of Greenwich expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for the Housing Authority of the Town of Greenwich.
7. The programs tested as major programs include:

CFDA #14.871	Section 8 Housing Choice Vouchers
CFDA #14.872	Capital Fund Program Cluster Public Housing Capital Fund
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. Housing Authority of the Town of Greenwich did not qualify as a low-risk auditee.

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

Supplementary Information

Housing Authority of the Town of Greenwich

Supplementary Information

Supplementary Schedules December 31, 2017

	Section 8 Housing Choice Vouchers	Low-Income Public Housing	State Moderate Rent	State Elderly Housing	Revolving Fund	Quarry Knoll II	Town Hall Annex	Greenwich Close LLC	Non-Major Programs	Subtotal	Eliminations	Total
<u>Assets</u>												
Current assets												
Cash - operations	\$ -	\$ 463,733	\$ 1,610,220	\$ 1,242	\$ 421,235	\$ 251,722	\$ 1,697,192	\$ 18,867	\$ 433,461	\$ 4,897,672	\$ -	\$ 4,897,672
Cash - restricted	136,597	-	-	-	-	-	129,468	-	876,000	1,142,065	-	1,142,065
Cash - security deposits held in trust	-	154,000	236,000	24,000	-	16,000	60,000	329,233	-	819,233	-	819,233
Accounts receivable - tenants, net	-	16,744	8,687	-	-	-	66,771	33,787	-	125,989	-	125,989
Accounts receivable - fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable - miscellaneous	22,083	4,948	36,401	634	1,093	-	-	-	-	65,159	-	65,159
Accounts receivable - other government	-	878	-	-	788,934	36,524	513,810	98,618	807,043	2,245,807	(2,245,807)	-
Project reserves	-	-	-	-	-	1,552,655	665,352	670,934	-	2,888,941	-	2,888,941
Prepaid expenses	5,304	62,787	54,415	6,965	-	6,528	34,239	63,446	3,272	236,956	(100,000)	136,956
Interprogram due from	-	1,153	378,721	8,774	505,111	-	-	-	1,205,236	2,098,995	(2,098,995)	-
Total current assets	163,984	704,243	2,324,444	41,615	1,716,373	1,863,429	3,166,832	1,214,885	3,325,012	14,520,817	(4,444,802)	10,076,015
Noncurrent assets												
Capital assets												
Land and land improvements	-	778,303	464,391	14,600	-	35,237	1,244,304	5,901,770	392,267	8,830,872	-	8,830,872
Construction in progress	-	5,140	497,005	-	-	-	120,789	1,000	1,207,852	1,831,786	-	1,831,786
Structures and equipment, net	-	6,314,411	4,432,573	1,662,885	-	1,757,900	3,265,471	9,936,786	5,165,731	32,535,757	-	32,535,757
Total capital assets	-	7,097,854	5,393,969	1,677,485	-	1,793,137	4,630,564	15,839,556	6,765,850	43,198,415	-	43,198,415
Other assets												
Notes receivables	-	-	-	-	-	-	-	-	44,000	44,000	-	44,000
Other assets	-	-	-	-	8,550	-	-	-	-	8,550	-	8,550
Total other assets	-	-	-	-	8,550	-	-	-	44,000	52,550	-	52,550
	163,984	7,802,097	7,718,413	1,719,100	1,724,923	3,656,566	7,797,396	17,054,441	10,134,862	57,771,782	(4,444,802)	53,326,980
Deferred outflows of resources												
Pension related	89,527	467,535	378,007	59,685	-	-	-	-	-	994,754	-	994,754
Total assets and deferred outflow of resources	\$ 253,511	\$ 8,269,632	\$ 8,096,420	\$ 1,778,785	\$ 1,724,923	\$ 3,656,566	\$ 7,797,396	\$ 17,054,441	\$ 10,134,862	\$ 58,766,536	\$ (4,444,802)	\$ 54,321,734

Housing Authority of the Town of Greenwich

Supplementary Information

Supplementary Schedules December 31, 2017

	Section 8 Housing Choice Vouchers	Low-Income Public Housing	State Moderate Rent	Elderly Housing	Revolving Fund	Quarry Knoll II	Town Hall Annex	Greenwich Close LLC	Non-Major Programs	Subtotal	Eliminations	Total
<u>Liabilities and Net Position</u>												
Current liabilities												
Accounts payable - vendors	\$ 141,214	\$ 28,515	\$ 40,176	\$ 3,991	\$ -	\$ 1,087	\$ 16,916	\$ 25,188	\$ 44,068	\$ 301,155	\$ -	\$ 301,155
Accounts payable - other government	13,403	277,157	70	-	354,278	199	1,028,255	660,713	200,017	2,534,092	(2,245,807)	288,285
Accrued salaries and benefit payable	-	-	-	-	22,717	-	-	-	-	22,717	-	22,717
Accrued compensated absences	27,929	158,426	125,254	26,070	-	20,452	167,634	66,469	3,088	595,322	-	595,322
Accrued operating expenses	120,407	-	-	-	100,000	188,812	52,500	-	15	461,734	(100,000)	361,734
Accrued interest expenses	-	-	9,669	-	-	-	56,136	45,841	-	111,646	-	111,646
Prepaid rental revenue - subsidy	-	-	-	-	-	226	-	26,168	-	26,394	-	26,394
Tenant security deposits	-	153,097	208,938	23,406	-	15,529	43,304	332,439	40,150	816,863	-	816,863
Interprogram due to	36,572	101,117	8,807	282,737	1,247,928	-	-	-	421,834	2,098,995	(2,098,995)	-
Current portion of due to State of Connecticut	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of capital debt	-	-	63,419	-	-	97,351	96,807	322,601	27,128	607,306	-	607,306
Total current liabilities	339,525	718,312	456,333	336,204	1,724,923	323,656	1,461,552	1,479,419	736,300	7,576,224	(4,444,802)	3,131,422
Noncurrent liabilities												
Accrued compensated absences - non-current	-	-	-	-	-	-	-	-	-	-	-	-
Net pension liability	214,960	1,122,569	907,608	143,307	-	-	-	-	-	2,388,444	-	2,388,444
Deferred management fees	-	-	-	-	-	-	1,136,870	-	-	1,136,870	(1,136,870)	-
Due to State of Connecticut, net of current portion	-	-	-	-	-	-	-	-	-	-	-	-
Capital debt, net of current portion	-	-	1,046,502	-	-	151,848	1,830,197	15,237,484	4,938,123	23,204,154	-	23,204,154
Total noncurrent liabilities	214,960	1,122,569	1,954,110	143,307	-	151,848	2,967,067	15,237,484	4,938,123	26,729,468	(1,136,870)	25,592,598
Total liabilities	554,485	1,840,881	2,410,443	479,511	1,724,923	475,504	4,428,619	16,716,903	5,674,423	34,305,692	(5,581,672)	28,724,020
Deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	-
Net position (deficit)												
Net invested in capital assets	-	7,097,854	4,284,048	1,677,485	-	1,543,938	2,703,560	279,471	1,800,599	19,386,955	-	19,386,955
Restricted	136,597	-	-	-	-	-	-	-	920,000	1,056,597	-	1,056,597
Unrestricted	(437,571)	(669,103)	1,401,929	(378,211)	-	1,637,124	665,217	58,067	1,739,840	4,017,292	1,136,870	5,154,162
Total net position (deficits)	(300,974)	6,428,751	5,685,977	1,299,274	-	3,181,062	3,368,777	337,538	4,460,439	24,460,844	1,136,870	25,597,714
Total liabilities, deferred inflows of resources, and net position	\$ 253,511	\$ 8,269,632	\$ 8,096,420	\$ 1,778,785	\$ 1,724,923	\$ 3,656,566	\$ 7,797,396	\$ 17,054,441	\$ 10,134,862	\$ 58,766,536	\$ (4,444,802)	\$ 54,321,734

Housing Authority of the Town of Greenwich

Supplementary Information

Supplementary Schedules Year Ended December 31, 2017

	Section 8 Housing Choice Vouchers	Low-Income Public Housing	State Moderate Rent	Elderly Housing	Revolving Fund	Quarry Knoll II	Town Hall Annex	Greenwich Close LLC	Non-Major Programs	Subtotal	Eliminations	Total
Operating revenue												
Tenant rental revenue, net	\$ -	\$ 1,501,427	\$ 2,436,328	\$ 371,958	\$ -	\$ 217,762	\$ 2,472,309	\$ 2,719,078	\$ 119,304	\$ 9,838,166	\$ -	\$ 9,838,166
Tenant revenue - other	-	-	-	-	-	-	-	20,883	1,008	21,891	-	21,891
Total tenant revenue	-	1,501,427	2,436,328	371,958	-	217,762	2,472,309	2,739,961	120,312	9,860,057	-	9,860,057
HUD rental assistance subsidy	5,701,384	686,866	-	-	-	453,839	451,508	-	49,066	7,342,663	-	7,342,663
Other	13,443	262,882	122,061	23,975	-	12,910	37,392	87,463	371,290	931,416	(261,302)	670,114
Total operating revenue	<u>5,714,827</u>	<u>2,451,175</u>	<u>2,558,389</u>	<u>395,933</u>	<u>-</u>	<u>684,511</u>	<u>2,961,209</u>	<u>2,827,424</u>	<u>540,668</u>	<u>18,134,136</u>	<u>(261,302)</u>	<u>17,872,834</u>
Expenses												
Administration	367,217	998,841	776,095	152,152	-	128,733	979,320	522,796	151,595	4,076,749	(261,302)	3,815,447
Tenant services	-	182,049	43,645	16,311	-	2,174	783,210	970	-	1,028,359	-	1,028,359
Utilities	-	545,971	302,879	34,863	-	57,033	106,214	232,153	8,780	1,287,893	-	1,287,893
Maintenance and operations	-	417,186	369,479	76,017	-	62,036	223,224	330,190	19,449	1,497,581	-	1,497,581
Maintenance contracts	-	324,313	256,100	49,337	-	24,635	116,132	365,659	5,385	1,141,561	-	1,141,561
Insurance	11,435	139,263	122,188	14,726	-	55,407	107,475	135,039	8,398	593,931	-	593,931
PILOT/real estate taxes	-	91,920	-	-	-	60,756	-	218,861	-	371,537	-	371,537
Housing assistance payments	5,513,321	-	-	-	-	-	-	-	-	5,513,321	-	5,513,321
Depreciation	-	663,372	321,433	125,125	-	136,331	218,149	406,709	24,283	1,895,402	-	1,895,402
Total expenses	<u>5,891,973</u>	<u>3,362,915</u>	<u>2,191,819</u>	<u>468,531</u>	<u>-</u>	<u>527,105</u>	<u>2,533,724</u>	<u>2,212,377</u>	<u>217,890</u>	<u>17,406,334</u>	<u>(261,302)</u>	<u>17,145,032</u>
Operating income (loss)	<u>(177,146)</u>	<u>(911,740)</u>	<u>366,570</u>	<u>(72,598)</u>	<u>-</u>	<u>157,406</u>	<u>427,485</u>	<u>615,047</u>	<u>322,778</u>	<u>727,802</u>	<u>-</u>	<u>727,802</u>
Non-operating revenue (expenses)												
Capital grant funds	-	-	-	-	-	-	-	-	1,025,731	1,025,731	-	1,025,731
Sale of state tax credit expense	-	-	-	-	-	(500,000)	-	-	500,000	-	-	-
Interest income	-	3,120	5,546	230	-	14,498	23,386	548	-	47,328	-	47,328
Interest expense	-	-	(34,456)	-	-	(25,145)	(47,269)	(551,710)	(58,379)	(716,959)	-	(716,959)
Total non-operating revenue (expenses)	<u>-</u>	<u>3,120</u>	<u>(28,910)</u>	<u>230</u>	<u>-</u>	<u>(510,647)</u>	<u>(23,883)</u>	<u>(551,162)</u>	<u>1,467,352</u>	<u>356,100</u>	<u>-</u>	<u>356,100</u>
Change in net position	<u>\$ (177,146)</u>	<u>\$ (908,620)</u>	<u>\$ 337,660</u>	<u>\$ (72,368)</u>	<u>\$ -</u>	<u>\$ (353,241)</u>	<u>\$ 403,602</u>	<u>\$ 63,885</u>	<u>\$ 1,790,130</u>	<u>\$ 1,083,902</u>	<u>\$ -</u>	<u>\$ 1,083,902</u>
Change in net position (deficit)												
Net position, beginning of year	\$ (123,828)	\$ 7,337,371	\$ 5,348,317	\$ 1,371,642	\$ -	\$ 3,534,303	\$ 2,965,175	\$ 273,653	\$ 2,670,309	\$ 23,376,942	\$ 1,136,870	\$ 24,513,812
Transfer of net position	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position for the year	(177,146)	(908,620)	337,660	(72,368)	-	(353,241)	403,602	63,885	1,790,130	1,083,902	-	1,083,902
Net position (deficit), end of year	<u>\$ (300,974)</u>	<u>\$ 6,428,751</u>	<u>\$ 5,685,977</u>	<u>\$ 1,299,274</u>	<u>\$ -</u>	<u>\$ 3,181,062</u>	<u>\$ 3,368,777</u>	<u>\$ 337,538</u>	<u>\$ 4,460,439</u>	<u>\$ 24,460,844</u>	<u>\$ 1,136,870</u>	<u>\$ 25,597,714</u>

Housing Authority of the Town of Greenwich

Supplementary Information

**Supplementary Schedules
December 31, 2017**

	<u>Management Fee</u>	<u>Capital Fund Program</u>	<u>Home Ownership</u>	<u>OakTree, Inc.</u>	<u>Total Non-Major Programs</u>
<u>Assets</u>					
Current assets					
Cash - operations	\$ 208,702	\$ -	\$ 224,759	\$ -	\$ 433,461
Cash - restricted	-	-	376,000	500,000	876,000
Accounts receivable - tenants, net	-	-	-	-	-
Accounts receivable - other government	807,043	-	-	-	807,043
Prepaid expenses	3,272	-	-	-	3,272
Interprogram due from	985,004	-	220,232	-	1,205,236
Total current assets	<u>2,004,021</u>	<u>-</u>	<u>820,991</u>	<u>500,000</u>	<u>3,325,012</u>
Noncurrent assets					
Capital assets					
Land and land improvements	392,267	-	-	-	392,267
Construction in progress	4,467	1,203,385	-	-	1,207,852
Structures and equipment, net	5,165,731	-	-	-	5,165,731
Total capital assets	<u>5,562,465</u>	<u>1,203,385</u>	<u>-</u>	<u>-</u>	<u>6,765,850</u>
Other assets					
Notes receivables	-	-	44,000	-	44,000
Total other assets	<u>-</u>	<u>-</u>	<u>44,000</u>	<u>-</u>	<u>44,000</u>
	<u>\$ 7,566,486</u>	<u>\$ 1,203,385</u>	<u>\$ 864,991</u>	<u>\$ 500,000</u>	<u>\$ 10,134,862</u>

Housing Authority of the Town of Greenwich

Supplementary Information

Supplementary Schedules December 31, 2017

	<u>Management Fee</u>	<u>Capital Fund Program</u>	<u>Home Ownership</u>	<u>OakTree, Inc.</u>	<u>Total Non-Major Programs</u>
<u>Liabilities and Net Position</u>					
Current liabilities					
Accounts payable - vendors	\$ 44,068	\$ -	\$ -	\$ -	\$ 44,068
Accounts payable - other government	199,775	-	-	242	200,017
Accrued salaries and benefit payable	-	-	-	-	-
Accrued compensated absences	3,088	-	-	-	3,088
Accrued operating expenses	15	-	-	-	15
Accrued interest expenses	-	-	-	-	-
Tenant security deposits	40,150	-	-	-	40,150
Interprogram due to	412,652	9,182	-	-	421,834
Current portion of due to State of Connecticut	-	-	-	-	-
Current portion of capital debt	27,128	-	-	-	27,128
	<u>726,876</u>	<u>9,182</u>	<u>-</u>	<u>242</u>	<u>736,300</u>
Total current liabilities					
Noncurrent liabilities					
Due to affiliate	-	-	-	-	-
Deferred management fees	-	-	-	-	-
Due to State of Connecticut, net of current portion	-	-	-	-	-
Capital debt, net of current portion	4,938,123	-	-	-	4,938,123
	<u>4,938,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,938,123</u>
Total noncurrent liabilities					
Total liabilities	<u>5,664,999</u>	<u>9,182</u>	<u>-</u>	<u>242</u>	<u>5,674,423</u>
Net position (deficit)					
Net invested in capital assets	597,214	1,203,385	-	-	1,800,599
Restricted	-	-	420,000	500,000	920,000
Unrestricted	1,304,273	(9,182)	444,991	(242)	1,739,840
	<u>1,901,487</u>	<u>1,194,203</u>	<u>864,991</u>	<u>499,758</u>	<u>4,460,439</u>
Total net position (deficits)	<u>\$ 7,566,486</u>	<u>\$ 1,203,385</u>	<u>\$ 864,991</u>	<u>\$ 500,000</u>	<u>\$ 10,134,862</u>

Housing Authority of the Town of Greenwich

Supplementary Information

**Supplementary Schedules
Year Ended December 31, 2017**

	<u>Management Fee</u>	<u>Capital Fund Program</u>	<u>Home Ownership</u>	<u>OakTree, Inc.</u>	<u>Total Non-Major Programs</u>
Operating revenues					
Tenant rental revenue, net	\$ 119,304	\$ -	\$ -	\$ -	\$ 119,304
Tenant revenue - other	1,008	-	-	-	1,008
Total tenant revenue	<u>120,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,312</u>
HUD rental assistance subsidy	49,066	-	-	-	49,066
Other	371,290	-	-	-	371,290
Total operating revenues	<u>540,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,668</u>
Expenses					
Administration	96,681	-	54,914	-	151,595
Utilities	8,780	-	-	-	8,780
Maintenance and operations	19,207	-	-	242	19,449
Maintenance contracts	5,385	-	-	-	5,385
Insurance	8,398	-	-	-	8,398
Depreciation and amortization	24,283	-	-	-	24,283
Total expenses	<u>162,734</u>	<u>-</u>	<u>54,914</u>	<u>242</u>	<u>217,890</u>
Operating income (loss)	<u>377,934</u>	<u>-</u>	<u>(54,914)</u>	<u>(242)</u>	<u>322,778</u>
Non-operating revenues (expenses)					
Capital grants	-	1,025,731	-	-	1,025,731
Sale of tax credit income (expense)	-	-	-	500,000	500,000
Interest income	-	-	-	-	-
Interest expense	(58,379)	-	-	-	(58,379)
Change in net assets	<u>\$ 319,555</u>	<u>\$ 1,025,731</u>	<u>\$ (54,914)</u>	<u>\$ 499,758</u>	<u>\$ 1,790,130</u>
Change in net position (deficit)					
Net position, beginning of year	\$ 1,581,932	\$ 168,472	\$ 919,905	\$ -	\$ 2,670,309
Transfer of net position	-	-	-	-	-
Change in net position for the year	<u>319,555</u>	<u>1,025,731</u>	<u>(54,914)</u>	<u>499,758</u>	<u>1,790,130</u>
Net position (deficit), end of year	<u>\$ 1,901,487</u>	<u>\$ 1,194,203</u>	<u>\$ 864,991</u>	<u>\$ 499,758</u>	<u>\$ 4,460,439</u>

See Independent Auditor's Report.

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule December 31, 2017

Line Item No.	Account Description	Wilbur Peck	Quarry Knoll	Agnes Morley	Greenwich Close	Total AMPs
111	Cash - Unrestricted	\$ 75,444	\$ 180,308	\$ 108,017	\$ 15,205	\$ 378,974
112	Cash - Restricted - Modernization and Development	-	-	-	-	-
113	Cash - Other Restricted	-	-	-	-	-
114	Cash - Tenant Security Deposits	77,813	16,123	60,064	43,053	197,053
100	Total Cash	153,257	196,431	168,081	58,258	576,027
124	Accounts Receivable - Other Government	-	-	878	158	1,036
125-040	Account Receivable - Miscellaneous - Tax Credit	-	-	-	-	-
125-050	Account Receivable - Miscellaneous - Other	4,948	-	-	-	4,948
125	Accounts Receivable - Miscellaneous	4,948	-	-	-	4,948
126	Accounts Receivable - Tenants - Dwelling Rents	14,110	1,644	39,175	5,758	60,687
126.1	Allowance for Doubtful Accounts - Tenants	-	-	(38,185)	(1,339)	(39,524)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-
128	Accounts Receivable - Fraud Recovery	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	19,058	1,644	1,868	4,577	27,147
142	Prepaid Expenses and Other Assets	22,488	6,995	33,304	96,034	158,821
144	Interprogram Due From	-	-	-	-	-
150	TOTAL CURRENT ASSETS	194,803	205,070	203,253	158,869	761,995
161	Land	171,227	101,179	505,897	771,769	1,550,072
162	Buildings	10,431,593	2,891,515	6,629,763	1,526,094	21,478,965
163	Furniture, Equipment and Machinery - Dwellings	621,539	20,787	-	27,165	669,491
164	Furniture, Equipment and Machinery - Administration	138,125	11,983	400,865	952	551,925
166	Accumulated Depreciation	(6,671,005)	(2,263,470)	(5,897,284)	(254,789)	(15,086,548)
167	Construction in Progress	-	-	5,140	131	5,271
160	Total Capital Assets, Net of Accumulated Depreciation	4,691,479	761,994	1,644,381	2,071,322	9,169,176
174	Other Assets	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	4,691,479	761,994	1,644,381	2,071,322	9,169,176
200	Deferred Outflow of Resources	179,056	59,686	228,793	-	467,535
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 5,065,338	\$ 1,026,750	\$ 2,076,427	\$ 2,230,191	\$ 10,398,706

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule December 31, 2017

Line Item No.	Account Description	Wilbur Peck	Quarry Knoll	Agnes Morley	Greenwich Close	Total AMPs
312	Accounts Payable <= 90 Days	\$ 20,781	\$ 1,301	\$ 6,433	\$ 3,294	\$ 31,809
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	56,216	25,553	76,657	8,692	167,118
324	Accrued Contingency Liability	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	5,995	5,995
331-010	Accounts Payable - HUD PHA Programs - Operating Subsidy	-	-	-	-	-
331-030	Accounts Payable - HUD PHA Programs - Other	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-
333	Accounts Payable - Other Government	173,438	45,672	138,039	42,664	399,813
341	Tenant Security Deposits	79,484	17,498	56,115	43,473	196,570
342-030	Deferred Revenue - Other	-	-	-	3,422	3,422
342	Deferred Revenues	-	-	-	3,422	3,422
343-020	Capital Projects/Mortgage Revenue	-	-	-	-	-
343	Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-
347	Interprogram Due To	-	-	-	43,736	43,736
348	Loan Liability - Current	-	-	-	42,186	42,186
310	TOTAL CURRENT LIABILITIES	329,919	90,024	277,244	193,462	890,649
351-010	Long-Term Debt - CFFP	-	-	-	1,992,591	1,992,591
351-020	Long-Term - Capital Projects/Mortgage Revenue	-	-	-	-	-
351	Long-Term Debt, Net of Current - Capital Projects	-	-	-	1,992,591	1,992,591
353	Noncurrent Liabilities - Other	429,920	143,307	549,342	-	1,122,569
354	Accrued Compensated Absences - Non Current	-	-	-	-	-
355-010	Loan Liability - Non-Current - Not For Profit	-	-	-	-	-
355	Loan Liability - Non-Current	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	429,920	143,307	549,342	1,992,591	3,115,160
300	TOTAL LIABILITIES	759,839	233,331	826,586	2,186,053	4,005,809
508.1	Invested in Capital Assets, Net of Related Debt	4,691,479	761,994	1,644,381	36,545	7,134,399
511.1	Restricted Net Assets	-	-	-	-	-
512.1	Unrestricted Net Assets	(385,980)	31,425	(394,540)	7,593	(741,502)
513	TOTAL NET POSITION	4,305,499	793,419	1,249,841	44,138	6,392,897
600	TOTAL LIABILITIES AND NET POSITION	\$ 5,065,338	\$ 1,026,750	\$ 2,076,427	\$ 2,230,191	\$ 10,398,706

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule Year Ended December 31, 2017

Line Item No.	Account Description	Wilbur Peck - Public Housing	Wilbur Peck - CFP	Wilbur Peck - Total	Quarry Knoll - Public Housing	Quarry Knoll - CFP	Quarry Knoll - Total	Agnes Morley - Public Housing	Agnes Morley - CFP	Agnes Morley - Total	Greenwich Close - Public Housing	Greenwich Close - CFP	Greenwich Close - Total	Total AMPs
REVENUE														
70300	Net Tenant Rental Revenue	\$ 679,383	\$ -	\$ 679,383	\$ 196,420	\$ -	\$ 196,420	\$ 625,624	\$ -	\$ 625,624	\$ 355,571	\$ -	\$ 355,571	\$ 1,856,998
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-	9,240	-	9,240	9,240
70500	Total Tenant Revenue	679,383	-	679,383	196,420	-	196,420	625,624	-	625,624	364,811	-	364,811	1,866,238
70600-010	Housing assistance payment	229,542	-	229,542	103,494	-	103,494	353,830	-	353,830	-	-	-	686,866
70600-020	FSS Grant	69,000	-	69,000	-	-	-	-	-	-	-	-	-	69,000
70600	HUD PHA Operating Grants	298,542	-	298,542	103,494	-	103,494	353,830	-	353,830	-	-	-	755,866
70610	Capital Grants	-	-	-	-	-	-	-	-	-	322	-	322	322
71100	Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
71200	Mortgage Interest Income	1,099	-	1,099	252	-	252	1,583	-	1,583	72	-	72	3,006
71500	Other Revenue	19,833	-	19,833	59,104	-	59,104	34,674	-	34,674	4,606	-	4,606	118,217
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	998,857	-	998,857	359,270	-	359,270	1,015,711	-	1,015,711	369,811	-	369,811	2,743,649
EXPENSES														
91100	Administrative Salaries	177,532	-	177,532	83,251	-	83,251	229,532	-	229,532	37,073	-	37,073	527,388
91200	Auditing Fees	8,310	-	8,310	3,247	-	3,247	9,131	-	9,131	3,324	-	3,324	24,012
91300	Management Fee	-	-	-	-	-	-	-	-	-	10,184	-	10,184	10,184
91310	Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - administrative	-	-	-	-	-	-	-	-	-	-	-	-	-
91600	Office Expenses	22,475	-	22,475	8,447	-	8,447	31,361	-	31,361	1,894	-	1,894	64,177
91700	Legal Expense	27,309	-	27,309	1,936	-	1,936	5,449	-	5,449	220	-	220	34,914
91800	Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	7,936	-	7,936	3,593	-	3,593	50,131	-	50,131	9,922	-	9,922	71,582
91000	Total Operating - Administrative	243,562	-	243,562	100,474	-	100,474	325,604	-	325,604	62,617	-	62,617	732,257
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Tenant Services														
92100	Tenant Services - Salaries	121,603	-	121,603	4,952	-	4,952	55,494	-	55,494	127	-	127	182,176
92500	Total Tenant Services	121,603	-	121,603	4,952	-	4,952	55,494	-	55,494	127	-	127	182,176
Utilities														
93100	Water	61,009	-	61,009	17,173	-	17,173	35,882	-	35,882	4,243	-	4,243	118,307
93200	Electricity	29,646	-	29,646	8,154	-	8,154	275,444	-	275,444	5,209	-	5,209	318,453
93300	Gas	66,706	-	66,706	41,596	-	41,596	10,361	-	10,361	20,907	-	20,907	139,570
93000	Total Utilities	157,361	-	157,361	66,923	-	66,923	321,687	-	321,687	30,359	-	30,359	576,330
Ordinary Maintenance and Operation														
94100	Ordinary Maintenance and Operation - Labor	145,307	-	145,307	55,266	-	55,266	116,900	-	116,900	23,846	-	23,846	341,319
94200	Ordinary Maintenance and Operation - Materials and Other	54,797	-	54,797	18,708	-	18,708	39,985	-	39,985	10,280	-	10,280	123,770
94300-000	Ordinary Maintenance and Operations Contracts - Contract Cost	109,829	-	109,829	74,484	-	74,484	140,000	-	140,000	47,817	-	47,817	372,130
94300	Ordinary Maintenance and Operations Contracts	109,829	-	109,829	74,484	-	74,484	140,000	-	140,000	47,817	-	47,817	372,130
94500	Employee Benefit Contributions - Ordinary Maintenance	134,057	-	134,057	50,301	-	50,301	130,601	-	130,601	22,595	-	22,595	337,554
94000	Total Maintenance	443,990	-	443,990	198,759	-	198,759	427,486	-	427,486	104,538	-	104,538	1,174,773
		966,516	-	966,516	371,108	-	371,108	1,130,271	-	1,130,271	197,641	-	197,641	2,665,536

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule Year Ended December 31, 2017

Line Item No.	Account Description	Wilbur Peck - Public Housing	Wilbur Peck - CFP	Wilbur Peck - Total	Quarry Knoll - Public Housing	Quarry Knoll - CFP	Quarry Knoll - Total	Agnes Morley - Public Housing	Agnes Morley - CFP	Agnes Morley - Total	Greenwich Close - Public Housing	Greenwich Close - CFP	Greenwich Close - Total	Total AMPs
96110	Property Insurance	21,482	-	21,482	4,849	-	4,849	35,010	-	35,010	4,833	-	4,833	66,174
96120	Liability Insurance	9,464	-	9,464	2,255	-	2,255	15,083	-	15,083	2,248	-	2,248	29,050
96130	Workmen's Compensation	12,088	-	12,088	4,196	-	4,196	10,890	-	10,890	1,634	-	1,634	28,808
96140	All Other Insurance	8,364	-	8,364	3,868	-	3,868	11,714	-	11,714	1,150	-	1,150	25,096
96100	Total Insurance Premiums	51,398	-	51,398	15,168	-	15,168	72,697	-	72,697	9,865	-	9,865	149,128
96300	Payments in Lieu of Taxes	50,448	-	50,448	13,728	-	13,728	27,744	-	27,744	28,620	-	28,620	120,540
96000	Total Other General Expenses	50,448	-	50,448	13,728	-	13,728	27,744	-	27,744	28,620	-	28,620	120,540
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	72,147	-	72,147	72,147
96720	Interest on Notes Payable (Short and Long-Term)	-	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-	72,147	-	72,147	72,147
96900	TOTAL OPERATING EXPENSES	1,068,362	-	1,068,362	400,004	-	400,004	1,230,712	-	1,230,712	308,273	-	308,273	3,007,351
97000	EXCESS REVENUE OVER OPERATING EXPENSES	(69,505)	-	(69,505)	(40,734)	-	(40,734)	(215,001)	-	(215,001)	61,538	-	61,538	(263,702)
97400	Depreciation Expense	422,157	-	422,157	82,825	-	82,825	158,390	-	158,390	53,185	-	53,185	716,557
90000	TOTAL EXPENSES	1,490,519	-	1,490,519	482,829	-	482,829	1,389,102	-	1,389,102	361,458	-	361,458	3,723,908
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (491,662)	\$ -	\$ (491,662)	\$ (123,559)	\$ -	\$ (123,559)	\$ (373,391)	\$ -	\$ (373,391)	\$ 8,353	\$ -	\$ 8,353	\$ (980,259)
11030	Beginning equity	4,797,161	-	4,797,161	916,978	-	916,978	1,623,232	-	1,623,232	35,785	-	35,785	7,373,156
11040	Prior period adjustments, equity transfers, and correction of	-	-	-	-	-	-	-	-	-	-	-	-	-

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule December 31, 2017

Line Item No.	Account Description	Housing Choice Vouchers	Component Units	State / Local	Business Activities	Formula Capital Fund Stimulus Grant	Resident Opportunity and Supportive Services	Total
111	Cash - Unrestricted	\$ -	\$ 1,661,851	\$ 1,707,413	\$ 904,705	\$ -	\$ -	\$ 4,273,969
113	Cash - Other Restricted	100,025	129,468	-	876,000	-	-	1,105,493
114	Cash - Tenant Security Deposits	-	362,180	260,000	-	-	-	622,180
100	Total Cash	100,025	2,153,499	1,967,413	1,780,705	-	-	6,001,642
124	Accounts Receivable - Other Government	-	648,794	-	1,595,977	-	79,992	2,324,763
125-040	Account Receivable - Miscellaneous - Tax Credit	-	-	-	-	-	-	-
125-050	Account Receivable - Miscellaneous - Other	22,083	-	37,035	1,093	-	-	60,211
125	Accounts Receivable - Miscellaneous	22,083	-	37,035	1,093	-	-	60,211
126	Accounts Receivable - Tenants - Dwelling Rents	-	105,032	24,914	-	-	-	129,946
126.1	Allowance for Doubtful Accounts - Tenants	-	(8,893)	(16,227)	-	-	-	(25,120)
128	Accounts Receivable - Fraud Recovery	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	22,083	744,933	45,722	1,597,070	-	-	2,409,808
142	Prepaid Expenses and Other Assets	5,304	2,897,120	61,380	3,272	-	-	2,967,076
144	Interprogram Due From	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	127,412	5,795,552	2,074,515	3,381,047	-	79,992	11,458,518
161	Land	-	6,409,542	478,991	392,267	-	-	7,280,800
162	Buildings	-	22,323,600	15,334,834	5,242,373	-	-	42,900,807
163	Furniture, Equipment and Machinery - Dwellings	-	757,381	676,782	10,724	-	-	1,444,887
164	Furniture, Equipment and Machinery - Administration	-	61,004	97,927	4,091	-	-	163,022
166	Accumulated Depreciation	-	(9,481,250)	(10,014,085)	(91,457)	-	-	(19,586,792)
167	Construction in Progress	-	121,658	497,005	4,467	1,203,385	-	1,826,515
160	Total Fixed Assets, Net of Accumulated Depreciation	-	20,191,935	7,071,454	5,562,465	1,203,385	-	34,029,239
174	Other Assets	-	-	-	52,550	-	-	52,550
180	TOTAL NONCURRENT ASSETS	-	20,191,935	7,071,454	5,615,015	1,203,385	-	34,081,789
200	Deferred Outflow of Resources	89,527	-	437,692	-	-	-	527,219
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 216,939	\$ 25,987,487	\$ 9,583,661	\$ 8,996,062	\$ 1,203,385	\$ 79,992	\$ 46,067,526

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule December 31, 2017

Line Item No.	Account Description	Housing Choice Vouchers	Component Units	State / Local	Business Activities	Formula Capital Fund Stimulus Grant	Resident Opportunity and Supportive Services	Total
312	Accounts Payable <= 90 Days	\$ 141,214	\$ 39,897	\$ 44,167	\$ 44,068	\$ -	\$ -	\$ 269,346
321	Accrued Wage/Payroll Taxes Payable	-	-	-	22,717	-	-	22,717
322	Accrued Compensated Absences - Current Portion	27,929	245,863	151,324	3,088	-	-	428,204
325	Accrued Interest Payable	-	95,982	9,669	-	-	-	105,651
333	Accounts Payable - Other Government	13,403	1,312,042	70	554,295	-	-	1,879,810
341	Tenant Security Deposits	-	347,799	232,344	40,150	-	-	620,293
342-030	Deferred Revenue - Other	-	22,972	-	-	-	-	22,972
342	Deferred Revenues	-	22,972	-	-	-	-	22,972
343-020	Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-
343	Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-	-	-
344	Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	120,407	1,378,182	-	100,015	-	-	1,598,604
347	Interprogram Due To	-	-	-	242	9,182	-	9,424
348	Loan Liability - Current	-	474,573	63,419	27,128	-	-	565,120
310	TOTAL CURRENT LIABILITIES	302,953	3,917,310	500,993	791,703	9,182	-	5,522,141
351-010	Long-Term Debt	-	15,226,938	1,046,502	4,938,123	-	-	21,211,563
351-020	Long-Term - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-
351	Long-Term Debt, Net of Current - Capital	-	15,226,938	1,046,502	4,938,123	-	-	21,211,563
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	214,960	-	1,050,915	-	-	-	1,265,875
354	Accrued Compensated Absences - Non Current	-	-	-	-	-	-	-
355-010	Loan Liability - Non-Current - Not For Profit	-	-	-	-	-	-	-
355	Loan Liability - Non-Current	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	214,960	15,226,938	2,097,417	4,938,123	-	-	22,477,438
300	TOTAL LIABILITIES	517,913	19,144,248	2,598,410	5,729,826	9,182	-	27,999,579
400	Deferred Inflow of Resources	-	-	-	-	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	-	4,490,424	5,961,533	597,214	1,203,385	-	12,252,556
511.1	Restricted Net Assets	100,025	-	-	920,000	-	-	1,020,025
512.1	Unrestricted Net Assets	(400,999)	2,352,815	1,023,718	1,749,022	(9,182)	79,992	4,795,366
513	TOTAL NET POSITION	(300,974)	6,843,239	6,985,251	3,266,236	1,194,203	79,992	18,067,947
600	TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 216,939	\$ 25,987,487	\$ 9,583,661	\$ 8,996,062	\$ 1,203,385	\$ 79,992	\$ 46,067,526

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule Year Ended December 31, 2017

Line Item No.	Account Description	Housing Choice Vouchers	Component Units	State / Local	Business Activities	Formula Capital Fund Stimulus Grant	Resident Opportunity and Supportive Services	Total
Revenue								
70300	Net Tenant Rental Revenue	\$ -	\$ 5,053,578	\$ 1,981,962	\$ 119,304	\$ -	\$ -	\$ 7,154,844
70400	Tenant Revenue - Other	-	61,418	826,324	1,008	-	-	888,750
70500	Total Tenant Revenue	-	5,114,996	2,808,286	120,312	-	-	8,043,594
70600-010	Housing assistance payment	5,701,384	905,347	-	49,066	-	-	6,655,797
70600	HUD PHA Operating Grants	5,701,384	905,347	-	49,066	-	-	6,606,731
70610	Capital Grants	-	502,141	-	-	1,025,731	79,992	1,607,864
70800	Other Governmental Grants	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	5,741	-	-	-	5,741
71200	Mortgage Interest Income	-	38,360	-	-	-	-	38,360
71500	Other Revenue	13,443	80,921	146,044	371,290	-	-	611,698
70000	TOTAL REVENUE	5,714,827	6,641,765	2,960,071	540,668	1,025,731	79,992	16,963,054
Expenses								
91100	Administrative Salaries	173,764	680,006	441,402	17,764	-	-	1,312,936
91200	Auditing Fees	4,696	59,879	25,570	-	-	-	90,145
91300	Management Fee	-	251,118	-	5,251	-	-	256,369
91400	Advertising and Marketing	-	2,349	84	-	-	-	2,433
91500	Employee Benefit Contributions - administrative	69,758	538,049	-	-	-	-	607,807
91600	Office Expenses	45,418	48,796	52,370	-	-	-	146,584
91700	Legal Expense	11,548	16,366	17,307	67,779	-	-	113,000
91900	Other	62,033	471,669	36,336	58,301	-	-	628,339
91000	Total Operating - Administrative	367,217	2,068,232	573,069	149,095	-	-	3,157,613
Tenant Services								
92100	Tenant Services - Salaries	-	786,227	59,956	-	-	-	846,183
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400	Tenant Services - Other	-	-	-	-	-	-	-
92500	Total Tenant Services	-	786,227	59,956	-	-	-	846,183
Utilities								
93100	Water	-	72,032	130,408	7,651	-	-	210,091
93200	Electricity	-	119,671	86,079	792	-	-	206,542
93300	Gas	-	173,338	121,255	337	-	-	294,930
93000	Total Utilities	-	365,041	337,742	8,780	-	-	711,563
Ordinary Maintenance and Operation								
94100	Ordinary Maintenance and Operation - Labor	-	334,871	344,576	5,435	-	-	684,882
94200	Ordinary Maintenance and Operation - Materials and Other	-	224,100	114,625	16,272	-	-	354,997
94300-000	Ordinary Maintenance and Operations Contracts - Contract Cost	-	458,609	305,437	5,385	-	-	769,431
94300	Ordinary Maintenance and Operations Contracts	-	1,017,580	764,638	27,092	-	-	1,809,310
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	341,446	3,290	-	-	344,736
94000	Total Maintenance	-	1,017,580	1,106,084	30,382	-	-	2,154,046
		367,217	4,237,080	2,076,851	188,257	-	-	6,869,405

Housing Authority of the Town of Greenwich

Supplementary Information

Financial Data Schedule Year Ended December 31, 2017

Line Item No.	Account Description	Housing Choice Vouchers	Component Units	State / Local	Business Activities	Formula Capital Fund Stimulus Grant	Resident Opportunity and Supportive Services	Total
96110	Property Insurance	-	65,207	62,133	2,671	-	-	130,011
96120	Liability Insurance	2,947	25,736	26,320	-	-	-	55,003
96130	Workmen's Compensation	5,281	10,864	24,943	-	-	-	41,088
96140	All Other Insurance	3,207	186,249	23,518	2,437	-	-	215,411
96100	Total Insurance Premiums	11,435	288,056	136,914	5,108	-	-	441,513
96200	Other General Expenses	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	250,997	-	-	-	-	250,997
96000	Total Other General Expenses	-	250,997	-	-	-	-	250,997
96710	Interest of Mortgage (or Bonds) Payable	-	551,977	34,456	58,379	-	-	644,812
96730	Amortization Expense	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	551,977	34,456	58,379	-	-	644,812
96900	TOTAL OPERATING EXPENSES	378,652	5,328,110	2,248,221	251,744	-	-	8,206,727
97000	EXCESS REVENUE OVER OPERATING EXPENSES	5,336,175	1,313,655	711,850	288,924	1,025,731	79,992	8,756,327
97300	Housing Assistance Payments	5,513,321	-	-	-	-	-	5,513,321
97400	Depreciation Expense	-	708,004	446,558	24,283	-	-	1,178,845
90000	TOTAL EXPENSES	5,891,973	6,036,114	2,694,779	276,027	-	-	14,898,893
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (177,146)	\$ 605,651	\$ 265,292	\$ 264,641	\$ 1,025,731	\$ 79,992	\$ 2,064,161
11030	Beginning equity	(123,828)	6,737,346	6,719,959	2,501,837	168,472	-	16,003,786
11040	Prior period adjustments, equity transfers, and correction of errors	-	(499,758)	-	499,758	-	-	-

See Independent Auditor's Report.

Housing Authority of the Town of Greenwich

Supplementary Information

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

<u>Federal Grantor Program Title</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development, Office of Public and Indian Housing		
Section 8 Housing Choice Vouchers	14.871	\$ 5,701,384
Public and Indian Housing, Low Rent Public Housing	14.850	688,125
Public Housing Capital Fund	14.872	1,025,731
Family Self-Sufficiency Program	14.896	69,000
Resident Opportunity and Supportive Services - Service Coordinators	14.870	<u>79,992</u>
Total Expenditures of Federal Awards		<u>\$ 7,564,232</u>

See Notes to Schedule of Expenditures of Federal Awards.

Housing Authority of the Town of Greenwich

Supplementary Information

**Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017**

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Housing Authority of the Town of Greenwich, under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Housing Authority of the Town of Greenwich, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority of the Town of Greenwich.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, "Cost Principles for Non-Profit Organizations" or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority of the Town of Greenwich has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Housing Authority of the Town of Greenwich

Supplementary Information

**Schedule of the Authority's Contributions
for the Connecticut Municipal Employees Retirement System ("CT MERS")
June 30, 2017**

	<u>2016</u>	<u>2015</u>
Contractually required CT MERS' contribution	\$ 348,536	\$ 338,476
CT MERS' contributions in relation to the contractually required contribution	<u>348,536</u>	<u>338,476</u>
CT MERS' contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Authority's covered employee payroll	\$ 2,896,718	\$ 2,545,950
CT MERS' contributions as a percentage of covered employee payroll	1.20%	1.15%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedules are presented to illustrate the requirements of GASB Statement No. 68 to present the data for 10 years. Currently, only the data for fiscal years ending June 30, 2016 and 2015 is available.

Housing Authority of the Town of Greenwich

Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability
for the Connecticut Municipal Employees Retirement System ("CT MERS")
June 30, 2017

	<u>2016</u>	<u>2015</u>
Authority's proportion of the CT MERS' net pension liability	1.22%	1.15%
Authority's proportionate share of the CT MERS' net pension liability	\$ 2,388,444	\$ 1,570,793
Authority's covered employee payroll	\$ 2,896,718	\$ 2,545,950
Authority's proportionate share of the CT MERS' net pension liability as a percentage of its covered employee payroll	82.45%	61.70%
CT MERS' Plan fiduciary net position as a percentage of the total pension liability	88.29%	92.72%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedules are presented to illustrate the requirements of GASB Statement No. 68 to present the data for 10 years. Currently, only the data for fiscal years ending June 30, 2016 and 2015 is available.