
2640 Fountain View Drive, Houston, Texas 77057 | 713.260.0600 | David A. Northern, Sr., **President & CEO**
Houston Housing Authority Board of Commissioners: LaRence Snowden, *Chair* | Kristy M. Kirkendoll, *Vice Chair*
Dr. Max Miller, Jr. | Stephanie Ballard | Andrea Hillard Cooksey | Kris Thomas | Guillermo "Will" Hernandez

The Houston Housing Authority ("HHA"), has issued this Amendment No. 1 to RFP 22-44 Third Party Independent Audit Services for the purposes of:

1. Incorporating:
 - 1.1. The attached Draft Contract into the solicitation as Exhibit E for informational purposes, and is not required to be submitted with the sealed proposals; and,
 - 1.2. The attached Houston Housing Authority Financial Statements (With Supplementary Information) and Independent Auditor's Report for 2019 as Exhibit F for information purposes.
2. Answering the following question that was submitted to "HHA" by the published due date:

Question 1: Where can we find a copy of your most recent audited financial statements?

Answer 1: See attached Exhibit F.

Question 2: What is the Housing Authority's preferred timeline for the audit work to be performed, including interim if completed?

Answer 2: The audit work should commence as soon as reasonably possible. This initial phase of this work will include completing audits for 2020 and 2021. We are a 12/31-year end so we also have a audit for 2022 that will be due prior to 9/30/2023. We would like to see all three audits completed prior to the filing deadline for the 2022 audit.

Question 3: What is the reason for the RFP?

Answer 3: We need to procure a new audit firm for the agency.

Question 4: If you are changing auditors is there a reason?

Answer 4: The previous auditor did not feel they could continue to provide the service in accordance with the multiyear contract. As a result, they opted to terminate the contract.

Question 5: Does the Housing Authority Staff have the expertise and capacity to prepare the financial statements including footnotes?

Answer 5: Yes, the staff that will be working on the audits with you have worked on many agency audits in the past.

Question 6: Have you done so in the past or has the auditor drafted the financial statements and footnotes?

Answer 6: In the past the auditor would issue the draft financial statement including the footnotes, many of the footnotes roll forward from year to year so updating them for current year data is not a very difficult task. When assistance was requested, we would provide draft footnotes or work with the auditors to craft the footnote in a collaborative process.

Question 7: What was the audit fee for the 2019 audit?

Answer 7: We do not provide that information during an active solicitation.

Question 8: How many hours did the 2019 auditor spend on the 2019 audit?

Answer 8: The audit performed for 2019 was performed as part of a multiyear contract with negotiated fees for each year of the contract. We do not know how many hours the auditor actually worked on the 2019 engagement.

Question 9: How many trial balances for individual AMPs and/or components are separately maintained by the Housing Authority?

Answer 9: A separate trial balance is maintained for each AMP and component.

Question 10: How many Fund Programs does each AMP have?

Answer 10: Each AMP has an Operating Fund Program and a Capital Fund Program

Question 11: How many of the components will be audited as part of the Housing Authority audit (blended component units)?

Answer 11: there are a number of component units, tax credit partnerships, that have been individually audited for each year including completed audits for 2021. There are 14 tax credit partnerships that have been audited. One of these partnerships was created in 2020. During 2020 one of the properties in the Section 8 New Construction category was converted to a tax credit partnership as part of a significant renovation of the property.

Question 12: How many of the components are not audited as part of the Housing Authority audit (discretely presented component units)?

Answer 12: All discretely presented component units are audited separate from the agency audit. These audits are all current.

Question 13: Which programs were audited as Major Federal Programs in 2019, 2018 and 2017 (each of the 3 previous years)?

Answer 13: Operating Fund, Capital Fund, Housing Choice Voucher Program, Mainstream Program.

Question 14: Finding 2019-001 refers to the accounting records needing numerous material adjustments to be proposed and recorded in order for the financial statements to be fairly presented

in accordance with GAAP. Does management anticipate the accounting records needing similar adjustments for 2020, 2021, and/or 2022?

Answer 14: We do not believe this finding will be necessary for the 2020, 2021, 2022 audits.

Question 15: What is your anticipated timeline for the completion of the 2020 and 2021 fiscal year end audited financial statements?

Answer 15: We want to complete these audits as quickly as possible.

Question 16: How many staff are in your accounting department?

Answer 16: At the present time we have 10 staff members – this number may increase to 11 this year as we are recruiting for a vacant position within the finance department. We also have a new senior VP Administration at the agency that will be involved in the audit as well.

Question 17: Do you outsource any accounting functions?

Answer 17: No.

Question 18: Do you have any new component units that were not included in the 2019 financial statements?

Answer 18: No.

Question 19: When would you like to commence the audit work?

Answer 19: As soon as possible once the audit engagement documentation has been completed. We are very committed to getting caught up on the audits.

Question 20: When would you like a draft of the audit work?

Answer 20: Historically we have always been provided a draft to review and approve prior to the audit being finalized. We would like to continue that practice.

Question 21: When is your unaudited FDS typically submitted to REAC?

Answer 21: These are timely submitted to REAC.

Question 22: Are there any separate reporting requirements for components units that are a part of the scope of the RFP that have not been noted?

Answer 22: No.

Question 23: What do you have budgeted for each of the open fiscal years for these services?

Answer 23: We do not provide that information during an active solicitation.

Question 24: Did you have any negative experiences with your prior auditor that would prevent them from continuing on as the auditor?

Answer 24: We were disappointed in the length of time that it took to complete the 2019 audit but had not yet reached the point that we would not have continued on with the existing auditor had they wanted to continue. The prior auditor opted to terminate the engagement so we are moving on to locate a anew auditor.

Question 25: Do you foresee your previous auditor bidding on this contract?

Answer 25: At this time, we do not anticipate the previous auditor submitting a bid.

Question 26: Is there anything you would like to see improved from the prior year's audit experience?

Answer 26: We would very much like to see a collaborative effort between the auditor and HHA staff to complete the audits in as efficient and effective manner as possible.

Question 27: Have the financial statements for APV Redevelopment Corporation and Houston Housing Resources, Inc. been issued since 2019?

Answer 27: APV Redevelopment Corporation has received a 2019 audit, the last audit for Houston Housing Resources was for 2018. APV Redevelopment is a very active entity. Houston Housing Resources is not a very active entity with its sole activity for the past several years being a charity golf tournament to raise funds for scholarships for graduating children that reside in either one of our properties or a property supported by the Housing Choice Voucher program.

Question 28: Do these entities also require financials to be issued for 2020 and 2021?

Answer 28: We would like both entities to be included in the engagement.

All other terms and conditions in the solicitation shall remain the same.

Austin Crotts 10-20-2022
Austin Y. Crotts MA
Interim Procurement Manager,
Houston Housing Authority



A Fair Housing and Equal Employment Opportunity Agency. For assistance: Individuals with disabilities may contact the 504/ADA Administrator at 713-260-0353, TTY 713-260-0547 or 504ADA@housingforhouston.com

CONTRACT NO. 22-44

FOR

INDEPENDENT PUBLIC ACCOUNTING SERVICES FOR FINANCIAL AUDIT

BETWEEN

AND

THE HOUSTON HOUSING AUTHORITY

This contract (the “Contract”¹) is entered into by and between the HOUSTON HOUSING AUTHORITY (the “HHA”),² having its principal place of business at 2640 Fountain View, Houston, Texas 77057, and _____ (the “Contractor”), having its principal place of business at _____. Hereinafter, all references to the “Parties” shall mean the HHA and the Contractor.

WITNESSETH:

WHEREAS, the HHA is a public body corporate, duly organized and validly existing and in good standing under the laws of the State of Texas and currently engaged in business defined in the Local Government Code of the State of Texas, including the provision of decent, safe, and sanitary housing to the residents of its facilities, low-income families, the elderly, and the disabled;

WHEREAS, the HHA, or its affiliates or subsidiaries, owns certain multifamily housing developments, including that certain multifamily housing development(s) and its administrative office commonly known or hereafter referred to as _____ (“_____”);

WHEREAS the HHA requires a contract for an independent public accounting firm to perform a financial audit;

WHEREAS the HHA, on or about October 4, 2022, issued Request for Proposal (“RFP”) No. 22-44, including all exhibits, addenda, or amendments thereto, soliciting responses from qualified firms to contract to perform a financial audit;

WHEREAS the HHA reviewed the responses it received to RFP No. 22-44, and determined that the response submitted by the Contractor was the _____ and _____; and

¹ The Contract may also be referred to interchangeably as the “Agreement.”

² In addition to being referred to as the “HHA,” the Houston Housing Authority may alternatively be referred to as the “Authority,” the “Agency,” the “PHA,” the “Housing Authority,” the “Local Authority,” the “LHA,” or the “HA.”

NOW THEREFORE, in consideration of the promises of the Parties herein, and pursuant to the mutual covenants and terms and conditions set forth in this Contract, the HHA and the Contractor agree to be legally bound as follows:

1. The Contract Documents.

- 1.1 In addition to the foregoing document, this Contract shall include: (a) § I of Form _____, as promulgated by the Department of Housing and Urban Development (“HUD”), and commonly known as “_____” (“Form _____”); (b) RFP No. 22-44, including all exhibits, addenda, or amendments thereto (“RFP No. 22-44”); (c) Contractor’s Response to RFP No. 22-44, including all exhibits, addenda, or amendments thereto. Form _____ is attached hereto and incorporated by reference as if set forth fully herein. The parties agree to be bound by the terms of Form _____ and the contract documents as outlined herein.
- 1.2 Form _____, RFP No. 22-44, and Contractor’s Response to RFP No. 22-44 are attached hereto as, respectively, Exhibit 1, Exhibit 2 and Exhibit 3 and are incorporated by reference as if set forth fully herein.
- 1.3 In the event of a conflict between or among the contract documents, the following order of priority shall apply: (a) Form _____; (b) the foregoing document; (c) RFP No. 22-44, and (d) Contractor’s Response to RFP No. 22-44. The Section 3 Form and the M/WBE Form shall receive the lowest priority in the event of a conflict between or among the contract documents.
- 1.4 A Contract document’s silence on a provision, issue, or term and condition found in another Contract document shall not be considered a conflict between or among the Contract documents.

2. Contractor’s Services.

- 2.1 The work/services³ to be performed by the Contractor pursuant to this Contract shall include, but not necessarily be limited to _____ as outlined in Exhibit ____ to RFP No. 22-44 (Scope of Work) included in RFP No. 22-44 and incorporated by reference heretofore.
- 2.2 The contractor shall be required to provide all the necessary personnel, supervision, transportation, equipment, insurance, tools, supplies, materials, and any other item(s) or resource(s) needed to perform the services pursuant to this Contract.
- 2.3 Absent the HHA’s written consent or written instruction, the Work under this Contract shall be performed by Contractor.
- 2.4 The HHA may designate a Project Manager during the period of performance.

³ Hereinafter referred to interchangeably as “Work” or “Services”.

- 2.5 Contractor agrees to conduct all activities and perform all Work under this Agreement in accordance with all applicable federal, state and local laws, rules, regulations, policies, procedures and issuances in effect or promulgated during the term of this Agreement.

3. Consideration and Payment.

- 3.1 In consideration of the work to be performed by the Contractor in accordance with the requirements and Scope of Work previously referenced herein as Exhibit _____ and pursuant to the Contract, the HHA shall pay the Contractor an amount not to exceed _____ (\$_____), during the Contract term, including any extensions.
- 3.2 The amount to be paid to Contractor shall consist of the Fee Schedule, attached hereto as Exhibit _____.
- 3.3 Contractor shall receive payment after invoices have been submitted and work has been approved by HHA's Project Manager. Payment terms are net 30 days. Should Contractor receive payment by wire or electronic means, Contractor must provide HHA written confirmation and instructions signed by Contractor's duly authorized official before any type of electronic or wire payment will be made by HHA. Any changes to wire or electronic payment information must be submitted to HHA in writing and signed by Contractor's duly authorized official.
- 3.4 The Contractor will ensure that its work and services are provided in a cost-efficient manner.
- 3.5 By the twentieth day of a given month, the Contractor, with respect to the work and services provided under this Contract in the preceding month, shall provide the HHA with an invoice that includes: (a) an itemized list of the work and services performed, (b) who performed the work and services, (c) the Properties and amount at which the work and services was billed; (d) the amount of time spent on the work and services, measured in one-tenth of an hour increments, (3) costs incurred for reimbursable expenses, if any such expenses are reimbursable under this Contract. Invoices comporting with this section that are approved by the HHA shall be due and payable by the HHA no later than thirty days after receipt. Invoices may be sent by the Contractor to the HHA via the United States Postal Service or via email. If sent via email, an invoice shall be considered to be received by the HHA on the day the email was sent by the Contractor.
- 3.6 If the HHA does not approve of an invoice, or a part thereof, the HHA will, within seven business days after receipt of the invoice, provide the Contractor with written notice of adjustments that the HHA believes are warranted. If, within seven business days of receiving such notice from the HHA the Contractor does not present the HHA

with additional detail or documentation to adequately support the disputed invoice (or portion thereof), then any adjustments made by the HHA to the invoice in question shall become binding upon the Contractor and the Contractor will waive any and all of its rights to dispute the adjusted invoice. If the Contractor responds timely within the seven business day timeframe allotted herein, and provides sufficient detail to adequately support the disputed invoice, (or disputed portion thereof), then the HHA shall consider the Contractor's timely response and will not unreasonably withhold payment of the disputed amount, provided that the additional detail or documentation submitted by the Contractor sufficiently and adequately supports the disputed invoice (or disputed portion thereof).

- 3.7 The HHA shall pay only the Contractor under this Contract. The HHA shall have no liability, directly or indirectly, for payment to the Contractor's employees, workers, agents, contractors, or subcontractors, if any. The Contractor agrees to indemnify, hold harmless, and defend the HHA and its employees, agents, affiliates, subsidiaries, representatives, and board members from any and all such claims.
- 3.8 **The Contractor is solely responsible for the payment of wages and any applicable benefits to workers for work performed under this contract. The Contractor shall be responsible for withholding federal and state income taxes, paying Federal Social Security taxes, maintaining unemployment insurance and maintaining workers' compensation insurance, in an amount and under such terms as required by the applicable laws of the State of Texas. THE HHA'S PAYMENT IS TO THE CONTRACTOR. HHA SHALL HAVE NO LIABILITY, DIRECTLY OR INDIRECTLY, FOR PAYMENT TO THE CONTRACTOR'S WORKERS OR TO SUBCONTRACTORS. THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE HHA, ITS EMPLOYEES, REPRESENTATIVES, AND AFFILIATES HARMLESS FROM ANY AND ALL SUCH CLAIMS.**
- 3.9 The HHA is not responsible to the Contractor or the Contractor's workers for payment of any overtime compensation or any additional payments pursuant to the Fair Labor Standards Act; the Texas Pay Day Act; the Equal Pay Act; Title VII of the Civil Rights Act of 1964, 42 U.S.C 2000e, *et al.*, as amended; or any provisions of the Texas Labor Code Ann., as amended. The HHA will not be responsible for overtime wages.

4. Term/Period of Performance, Effective Date, and Termination.

- 4.1 This Contract shall have an initial term of _____ (____) _____ from the effective date. At its sole discretion, the HHA may elect to extend the period of performance for up to an additional _____ (____) _____, in _____ (____) year increments.

- 4.2 All work performed by the Contractor under the Contract shall be performed between the hours of ____ a.m. and ____ p.m., Monday through Friday. HHA reserves the right to change hours as necessary.
- 4.3 This Contract shall be signed by the HHA and the Contractor. The Contractor shall sign the Contract first, and after signing, shall deliver the original signed contract, along with any and all required payment bonds, performance bonds, and required proof of insurance, to the HHA for signature by the HHA. This Contract shall not become effective until it is executed by the HHA. The Contract's effective date shall be the date of execution by the HHA.
- 4.4 Execution of the Contract by the Contractor is a representation that the Contractor has visited the work site, become generally familiar with local conditions under which the Contractor is to perform its work, and correlated personal observations with the requirements set forth in the Contract.
- 4.5 Passage of the Agreement expiration date shall not extinguish or prejudice HHA's right to enforce this Agreement with respect to default or defect in performance that has not been cured.
- 4.6 Irrespective of any default hereunder, HHA may at any time cancel the contract in whole or in part. Should this occur, the Contractor shall be entitled to equitable compensation for all work completed and accepted by HHA's Project Manager prior to such termination or cancellation.
- 4.7 Should the Contractor fail to perform the Services within the agreed upon time frame for each audit, the Contractor shall pay liquidated damages of one percent (1%) of the contracted price of the respective audit for each day that the audit is not completed. Liquidated damages shall be in addition to any other damages to which the HHA shall be entitled. Said liquidated damages shall be due and payable to the HHA within ten (10) days of request by the HHA.

5. Confidentiality.

- 5.1 The Contractor acknowledges and agrees that all information which the Contractor shall receive from the HHA or its agents or affiliates in connection with this Contract shall be confidential and the Contractor shall not disclose such information to any party without the HHA's prior written consent or unless required to do so by law.

6. Contractor's Representations and Warranties.

- 6.1 The Contractor represents and warrants that it has all applicable licenses and registrations to engage in and perform the services contemplated by this Contract. Unless otherwise stated herein, all local, State, or Federal permits or registrations which may be required to provide the services to be provided by the Contractor shall be the sole responsibility of the Contractor and any costs submitted by the Contractor in its

Response shall reflect all costs required by the Contractor to procure and provide such necessary permits and registrations.

- 6.2 The Contractor represents and warrants that the Contractor presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree or have the potential of conflicting with the performance of its services under the Contract or the impartial rendering of assistance or advice to the HHA. The Contractor further represents, covenants, and warrants that in the performance of the Contract no person having any such interest shall be employed. In the event the Contractor becomes aware of such an interest after the execution of this Contract, the Contractor shall immediately disclose the interest to the HHA in writing. The Contractor agrees that in carrying out its duties and responsibilities under this Agreement, it will neither undertake, nor cause, nor permit to be undertaken, any activity which either (i) is illegal under any laws, decrees, rules, or regulations in effect in Texas or the United States; or (ii) would have the effect of causing the HHA to be in violation of any laws, decrees, rules, or regulations in effect in Texas or the United States.
- 6.3 Contractor agrees that in connection with this Agreement or any extension thereof, it will update the Conflict of Interest Questionnaire and any other relevant forms required by law, HUD or HHA, as needed. Contractor further agrees to notify the HHA immediately of any conflict of interest relating to the subject matter of this Agreement.
- 6.4 The Contractor represents and warrants that in performing its services under this Contract, it will comply with all applicable State of Texas laws and regulations pertaining to the provision of its services under this Contract and that the Contractor will perform its services in a good and workmanlike manner, with the same degree of skill, diligence, competency and knowledge which is ordinarily exhibited, possessed by and consistent with the professional standards that apply to the provision of such services in metropolitan areas of similar size to Houston, Texas and other professionals in good standing in the same or similar field as Contractor.

7. Insurance.

- 7.1 The Contractor shall maintain the following insurance for the duration of this Contract, unless otherwise noted:
- a. Workers' compensation insurance in accordance with State of Texas rules and regulations for all employees providing work and services hereunder. The policy must be endorsed to contain a waiver of subrogation and a thirty (30) day notice of cancellation or non-renewal in favor of the HHA.
 - b. Commercial general liability insurance with a single limit for bodily injury of \$1,000,000.00 per occurrence and property damage limit of no less than \$1,000,000.00 per occurrence. The insurance may have a combined aggregate of coverage amounting to no less than \$2,000,000.00. Such insurance shall

cover the operations of the Contractor under this Contract and shall protect the Contractor and its officers, agents, and employees against claims of bodily injury or death, including specifically such claims resulting from any form of sexual misconduct and for property damage to others. Such insurance shall also include coverage for completed operations and contractual liability. If the Contractor has a "claims made policy," then the following additional requirements apply: (i) the policy must provide a "retroactive date" which must be on or before the date the Contractor executes this Contract; and (ii) the extended reporting period may not be less than five years following the completion date of this Contract. Regardless of whether the Contractor's policy is claims made or per occurrence, the HHA must be named as an additional insured and the policy must be endorsed to be primary/noncontributory and to contain a waiver of subrogation in favor the HHA. The policy must also be endorsed with a thirty (30) day notice of cancellation or non-renewal in favor of the HHA.

- c. Automobile liability insurance covering owned, non-owned, hired and all vehicles used by the Contractor or its officers, employees, or agents with a combined single limit of not less than \$1,000,000.00 applicable to bodily injury, sickness or death and loss of, or damage to, property in any one occurrence. The HHA must be named as an additional insured under this policy and this policy must be endorsed to be primary and to contain a waiver of subrogation in favor the HHA. The policy must also be endorsed with a thirty (30) day notice of cancellation or non-renewal in favor of the HHA.
- d. Umbrella/Excess Liability Insurance in the amount of \$ TBD providing excess limits over Workers' Compensation, Automobile Insurance, Professional Liability and General Liability Insurance. The HHA must be named as an additional insured and this policy must be endorsed to be primary/noncontributory and contain a waiver of subrogation endorsement in favor of the HHA. The policy must also be endorsed with a thirty (30) day notice of cancellation or non-renewal in favor of the HHA.
- e. Errors and omissions professional liability insurance in an amount no less than \$2,000,000 and for a continuous period of at least three years following the completion of the Contractor's services under this Agreement. The policy shall provide for coverage for all work performed by the Contractor. The Contractor shall ensure that any subcontractors hired by the Contractor that perform work on the Contractor's behalf will maintain their own Errors and Omissions Professional Liability Insurance coverage in the amount of no less than \$2,000,000 and the Contractor shall obtain evidence of such insurance in a manner satisfactory to the HHA and provide such evidence to the HHA upon the HHA's request. The policy must also be endorsed with a thirty (30) day notice of cancellation or non-renewal in favor of the HHA.

- 7.2 Before commencing its performance of any work or services under this Contract, the Contractor, at the request of the HHA, shall provide the HHA with copies of the applicable certificates of insurance, policies, declarations, and endorsements for the required coverages listed above so that the HHA may confirm: (a) that said coverages are valid and in effect; (b) that it is named as an additional insured under the Contractor's comprehensive general liability insurance policy ("CGL"), umbrella/excess liability insurance, errors and omissions/professional liability insurance and its automobile liability insurance policy; (c) that none of the required policies may be cancelled or non-renewed until at least thirty days prior written notice has been provided to the HHA; (d) that the Contractor's CGL policy, umbrella/excess liability and automobile policy are primary; and that (e) the Contractor's CGL policy, workers' compensation, umbrella/excess liability insurance and automobile policy contain waivers of subrogation in favor of the HHA. All certificates of insurance must reference this job/project and contract number.
- 7.3 All insurance shall be carried with companies that are financially responsible and admitted to do business in the State of Texas. The Contractor shall not permit the insurance policies required for this Contract to lapse during any period for which this Agreement is in effect.
- 7.4 The insurance requirements in this section are not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by the Contractor under this Contract, including, but not limited to, liability assumed by the Contractor pursuant to section 8 of this Contract.
- 7.5 The Contractor shall be solely responsible for any premiums, deductibles, or self-insured retentions that may apply to the insurance coverages required in this Contract.
- 7.6 The Contractor shall require each of its subcontractors, if any, to provide the coverages noted in this section, unless such coverages are waived or reduced in writing by the HHA.

8. INDEMNITY AND HOLD HARMLESS.

- 8.1 **THE CONTRACTOR SHALL INDEMNIFY, DEFEND, AND HOLD THE HHA AND ITS OFFICERS, AGENTS, SUBSIDIARIES, AFFILIATED ENTITIES, COMMISSIONERS AND EMPLOYEES (THE "INDEMNIFIED PERSONS") HARMLESS FROM ALL LIABILITY, LOSS OR DAMAGE, INCLUDING REASONABLE ATTORNEY FEES AND EXPENSES, RESULTING FROM, BROUGHT FOR, OR ON ACCOUNT OF ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ASSERTED BY ANY PERSON (INCLUDING, WITHOUT LIMITATION, THE INDEMNIFIED PERSONS' OR CONTRACTOR'S EMPLOYEES), FOR PERSONAL INJURY, DEATH, OR FOR LOSS OF OR DAMAGE TO ANY AND ALL PROPERTY IN ANY WAY ARISING OUT OF, IN CONNECTION WITH, OR TO THE**

EXTENT CAUSED BY THE CONTRACTOR OR ANY SUBCONTRACTOR'S PERFORMANCE HEREUNDER. SUCH INDEMNITY SHALL BE WITHOUT REGARD TO THE NEGLIGENCE (WHETHER ACTIVE, PASSIVE, SOLE, CONCURRENT OR GROSS), STRICT LIABILITY OR OTHER FAULT OF ANY INDEMNIFIED PERSON. CONTRACTOR ACKNOWLEDGES AND AGREES THAT THIS INDEMNITY CONTROLS OVER ALL OTHER PROVISIONS IN THE AGREEMENT AND SURVIVES THE TERMINATION OF THIS AGREEMENT.

8.2 THE CONTRACTOR SHALL BE RESPONSIBLE FOR, AND SHALL RELEASE AND HOLD HARMLESS THE HHA FROM ANY LIABILITY FOR, ALL DAMAGE AND LOSS SUSTAINED BY IT TO ITS TOOLS AND EQUIPMENT UTILIZED IN THE PERFORMANCE OF SERVICES, OR THE PERFORMANCE OF ANY SUBCONTRACTORS' SERVICES, HEREUNDER. THE CONTRACTOR SHALL BE RESPONSIBLE FOR SATISFYING ALL DEDUCTIBLES UNDER ITS POLICIES WITHOUT REIMBURSEMENT FROM THE HHA AND THE DEDUCTIBLE PORTION OF ANY LOSS SHALL NOT BE EXCLUDED FROM THE CONTRACTOR'S INDEMNITY OBLIGATION.

8.3 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, ANY LEGAL LIMITATIONS AFFECTING THE SCOPE OF PERMISSIBLE INDEMNITY SHALL BE READ INTO THESE CLAUSES SUCH THAT THE CLAUSE PROVIDES THE MAXIMUM INDEMNITY PURSUANT TO ITS TERMS WHILE STILL COMPLYING WITH THE LEGAL LIMITATIONS.

9. Notices.

9.1 All notices and communications regarding the Contract must be in writing and shall be directed to the following representatives:

HHA

Tel: _____

Fax: _____

CONTRACTOR

Tel: _____

Fax: _____

10. Compliance with Federal Laws and Regulations

10.1 To the extent applicable, the Contractor shall comply with any and all federal laws and regulations, including but not limited to, the following:

- The requirements of Title VII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964, relating to prohibitions against discrimination in housing and the benefits of federally funded programs because of race, color, religion, sex, or national origin;
- The prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, the prohibition against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act;
- All federal and state laws, rules and regulations related to energy efficiency and resource conservation;
- The requirements of Executive Order 11246 relating to equal employment opportunity in connection with federally funded programs;
- The requirements of Section 3 of the Housing and Urban Development Act of 1968 relating to training and employment of individuals and contracting for business opportunities in metropolitan areas in which federally funded programs are being operated; and
- The requirements of Executive Orders 11625, 12432 and 12138 to implement Minority Business Enterprise (“MBE”) and Women’s Business Enterprise (“WBE”) participation goals in federal agencies’ programs.

11. Compliance with M/WBE and Section 3 Policy.

- 11.1 When subcontracting, the Contractor agrees to utilize its good faith and best efforts to subcontract a sufficient dollar amount with M/WBE’s certified as such or recognized by the HHA as certified M/WBE in an effort to meet the HHA’s goal of a minimum of 30% of the final contract dollars being expended on one or more M/WBEs. All adjustments that cause the contract price to increase will also increase the total amount that the Contractor must expend on M/WBEs.
- 11.2 The Contractor hereby specifically agrees to adhere to the M/WBE Participation Plan as submitted by the Contractor and attached hereto as Exhibit 3.
- 11.3 The Contractor further agrees to adhere to the Section 3 Business Certification as submitted by the Contractor within its Response, attached hereto as Exhibit 4.

12. Records.

- 12.1 Without limitation to any other provision of the Contract, the Contractor shall maintain all records pertaining to the Contract, which the HHA reasonably requires for three (3) years from the expiration date of the Contract unless a longer period is required under Title 24, CFR §85.42. The Contractor shall maintain records required by 24 CFR

§135.120 for the period that HUD requires the records to be maintained. The Contractor will give the HHA, HUD, the Comptroller General of the United States, the General Accounting Office, and any of their authorized representative's access to, and the right to examine, audit, copy, or reproduce all records pertaining to the project financed under the Contract and the operation of the program or project. The right to access shall continue as long as the records are required to be maintained.

13. Independent Contractor.

- 13.1 The Contractor is an independent contractor of the HHA and not an employee of the HHA. Nothing contained in the Contract will be deemed or construed to create a partnership between the Contractor and the HHA. The Contractor will have no authority to create any obligation or make representations or warranty binding on the HHA. All personnel supplied or used by the Contractor in connection with this Contract will be deemed employees, agents, or subcontractors of the Contractor and will not be considered employees, agents, or subcontractors of the HHA for any purpose whatsoever. The Contractor is solely responsible for payment of wages and overtime to the Contractor's employees. By entering into this Contract the Contractor and the HHA are not entering into a joint employment relationship or an employment relationship of any kind.
- 13.2 The Contractor agrees to comply with all applicable federal and state laws pertaining to the proper classification of workers. Additionally, the Contractor is aware that in accordance with Section 214.008 of the Texas Labor Code, contractors and subcontractors who fail to properly classify individuals performing work under a governmental contract will be penalized \$200.00 for each individual that has been misclassified.

14. Subcontracts.

- 14.1 The Contractor shall not subcontract any portion of its services under this Contract without first obtaining the written consent of the HHA.

15. Non-Appropriation.

- 15.1 The Contractor understands that the HHA is a governmental entity and this Agreement is contingent upon the receipt, availability and allocation of funding allocated to the HHA for the payment of such services or obligations. Should it not be funded for any period during the term of the Agreement, any sums due for the remainder of the term shall be forgiven and the HHA shall not be liable for payment. HHA may terminate this Agreement in writing at any time, or suspend services, if sufficient funds are not available to continue operations under this Agreement. Upon such written notice from the HHA, the Contract will automatically terminate.

16. Proprietary Information.

- 16.1 The Contractor shall maintain the confidentiality of all proprietary information provided to it by the HHA. Information in the public domain, or otherwise obtained independently by the Contractor, is not considered confidential.
- 16.2 Any programs, data, or other materials furnished by the HHA for use by the Contractor concerning the services performed under the Contract shall remain the sole property of the HHA.

17. Ownership of Work Product.

- 17.1 All drawings, designs, specifications, manuals, reports, studies, surveys, models, software, source code and source code documentation, documentation or system architecture and any other documents, materials, data and products (“Work Product”) prepared or assembled by the Contractor or its subcontractors pursuant to this Contract shall be the exclusive property of the HHA and copies of all Work Products shall be delivered to the HHA upon the completion or termination of the Contract. The Contractor hereby assigns to the HHA ownership of all right, title and interest in and to such Work Products, including ownership of any copyright, patent, trademark, trade secret, or other intellectual property or proprietary rights in the Work Product. Further, Contractor hereby grants to the HHA a perpetual, royalty-free, paid-in-full, nonexclusive and irrevocable license to copy, reproduce, perform, dispose of, or use, in whole or in part, the Work Product and to authorize others to do so. The Contractor also agrees to execute all papers necessary for the HHA to perfect its ownership of the rights in the Work Product.

18 Criminal Background Checks Required.

- 18.1 After execution of this Agreement and as soon as reasonably possible, the Contractor shall conduct criminal background checks on all employees and subcontractors before such employees or subcontractors are assigned to perform any work under this Agreement. The Contractor agrees that no employee or subcontractor currently suspended or debarred under 2 CFR § 180, et seq., or who has been convicted of a felony, shall be authorized to perform any work under the terms of this Agreement, without prior written approval from the HHA.

19. Special Requirements.

- 19.1 The Contractor agrees that if the United States Department of Housing and Urban Development (“HUD”) requires a cost certification after substantial completion of the work performed under the Contract, then the Contractor will cooperate with the HHA and HUD and assist in providing such cost certification, provided that any payment to the Contractor hereunder shall not be conditioned upon any such cost certification, but shall be paid in accordance with the terms of the Contract.

20. Time.

20.1 Time is of the essence in the Contract and each and all of its provisions.

21. Tax Exempt Status.

21.1 The HHA is a unit of government and its functions are governmental functions. Its property is public property used for essential public and governmental purposes. By virtue of Section 392.005 of the Texas Local Government Code (the “Housing Authorities Law”), the HHA and its property are exempt from all taxes, including sales tax. A copy of the Tax Exemption Certificate will be provided to the Contractor, if required.

22. Cooperation with HHA.

22.1 In the performance of this Contract, the Contractor agrees to cooperate with the HHA and its staff, including the HHA’s Section 3 Coordinator.

23. Miscellaneous.

23.1 Legal Construction/Severability. HHA and Contractor agree, that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid. The failure of either party to enforce any provision of this Agreement shall not constitute a waiver by the party of that or any other provision of this Agreement. Whenever context requires, the singular will include the plural (and vice-versa) and references to gender shall include the masculine and feminine. Article and section headings in this Contract are for reference only and are not intended to restrict or define the text of any section or article herein. This Contract shall not be construed more or less favorably by reason of the authorship or origin of its language; this Contract shall not be construed against the drafter in the event of an ambiguity (or otherwise).

23.2 Limitation of Liability. In no event shall the HHA be liable to the Contractor for any indirect, incidental, or exemplary damages.

23.3 Own Investigation. The Contractor represents and warrants that it entered this Contract based solely on its own investigation and due diligence and not on reliance on any statements, representations, or omissions of the HHA unless otherwise noted in this Contract. The Contractor represents and warrants that it is fully satisfied that it has received any information it requested from the HHA in order to determine whether to enter this Contract. The Contractor expressly disclaims any reliance on any representation, statement, or omission by the HHA with respect to this Contract,

including the Contractor's decision to enter this Contract, unless otherwise noted herein.

- 23.4 *Venue and Choice of Law.* Venue for any legal action arising from or relating to this Contract shall exclusively lie in Harris County, Texas. The laws of the State of Texas shall govern and control any dispute that arises from or relates to this Agreement. In the event of any litigation arising from or related to this Agreement, or the services provided under this Agreement, each party will be responsible for its own costs incurred including staff time, court costs, attorney fees, and all other related expenses incurred in such litigation.
- 23.5 *Notice of Court Actions.* The Contractor agrees to give the HHA immediate notice in writing of any actions or suits filed and prompt notice of any claims made against the HHA or any of the parties involved in the implementation and administration of the Contract.
- 23.6 *Integration.* This Contract, along with the attached Exhibits, contains the complete agreement of the Parties and cannot be varied except by the Parties' written agreement. The Parties agree that there are no oral agreements, representations, or warranties that are not expressly set forth in this Contract.
- 23.7 *Waiver of Default.* It is not a waiver of or consent to default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedy set forth in this Contract does not preclude pursuit of other remedies in this Contract or that are provided by law.
- 23.8 *Non-Waiver.* No covenant or condition of the Contract may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party to which the same may apply, and until complete performance of any covenant or condition, the aggrieved party shall be entitled to invoke any remedy available to it under the Contract or by law or in equity despite such forbearance or indulgence. Unless otherwise stated herein, this Contract cannot be modified or altered in any way without the express written consent of the parties hereto.
- 23.9 *Remedies Cumulative.* All rights and remedies of HHA and Contractor shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of HHA according to law.
- 23.10 *Legal and Regulatory Compliance.* All activities under this Agreement shall comply with all applicable local, state and federal laws, ordinances and regulations. This Agreement shall automatically be amended as necessary to comply with all applicable local, state and federal laws, ordinances and regulations, including incorporation of any provisions now or hereafter applicable to the subject matter hereof and/or required to be included by any federal, state or local governmental authority with relevant

jurisdiction over the subject matter hereof. Any such change or incorporation of legal and regulatory requirements shall be deemed incorporated herein, irrespective of whether or not such provisions are expressly set forth in this Agreement or any written amendment hereto.

- 23.11 *Assignment.* The Contractor shall not assign, subcontract, or transfer any services, obligations, or interest in this Contract without the prior written consent of the HHA. Such consent shall not unreasonably be withheld when such assignment is for financing the Contractor's performance.
- 23.12 *Successors and Assigns.* This Contract shall be binding on and inure to the benefit of the parties to this Contract and their respective heirs, executors, administrators, legal representatives, successors, and assigns, if any.
- 23.13 *No Third-Party Rights.* Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of third party against either the HHA or the Contractor.
- 23.14 *Amendment.* This Agreement may only be amended by a written amendment signed by the authorized agents of both parties.
- 23.15 *Survival.* The terms, conditions, representations, and all warranties contained in this Agreement shall survive the termination or expiration of this Agreement.
- 23.16 *Publicity.* Contractor shall not use in its advertising, marketing or other promotion efforts; any data, pictures or other representation of HHA except on prior specific written authorization from the HHA President/CEO or designee.
- 23.17 *No Personal Inducements.* Contractor acknowledges and agrees that HHA requires all Contractors to adhere to basic principles in conducting business with HHA. These principles include no direct or indirect personal inducement of HHA employees or Commissioners, such as the giving of gifts, money, tickets, trips, loans, discounts or any other item or service in connection with this Agreement. Contractor further acknowledges and agrees that breach of these principles may be grounds for termination of this Agreement.
- 23.18 *Force Majeure.* Neither party hereto will be liable or responsible to the other for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including, but not limited to acts of God, strikes, epidemics, pandemics, disease, war, acts of terrorism, riots, civil disorder or unrest, flood, fire, tsunami, volcano, sabotage, air space closure, ground stop(s), a U.S. Department of State Travel Warning or any other circumstances of like character ("force majeure occurrence").
- 23.19 *Other:* Contractor shall adhere to all federal, state and local laws and ordinances, as well as standards and recommendations outlined by the World Health Organization

(WHO); Centers for Disease Control (CDC) and Occupational Safety and Health Administration (OSHA), and any other standards or procedures applicable to Contractor as it relates to the health, safety and welfare of tenants, residents, guests, HHA employees and others who may be involved in the execution of this Agreement.

23.20 *Authority.* Contractor represents and warrants that Contractor has the power and authority to enter into and perform this Agreement and that this Agreement, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms.

IN WITNESS THEREOF, this document may be executed in multiple counterparts. Each counterpart is deemed an original. All counterparts together constitute one and the same instrument. Each party warrants that the undersigned is a duly authorized representative with the power to execute this contract.

*****SIGNATURES FOLLOW*****

IN WITNESS THEREOF,

HOUSTON HOUSING AUTHORITY

SERVICE PROVIDER

By: _____
David A. Northern, Sr.
President & CEO

By: _____

Date: _____

Date: _____

Contract No. 22-44

Exhibit F RFP 22-44

Houston Housing Authority

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

December 31, 2019

Houston Housing Authority

Table of Contents

	<u>Page</u>
Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
Notes to Financial Statements	17
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 <i>Government Accounting Standards</i>	58
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	60
Schedule of Findings and Questioned Costs	62
Supplementary Information	
<u><i>PHA Financial Data</i></u>	
Financial Data Schedule - Statement of Net Position Accounts	65
Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts	67
<u><i>Program Totals</i></u>	
Financial Data Schedule - Statement of Net Position Accounts	69
Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts	75
<u><i>Project Totals</i></u>	
Financial Data Schedule - Statement of Net Position Accounts	81
Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts	87
Schedule of Expenditures of Federal Awards	99
Notes to the Schedule of Expenditures of Federal Awards	100

Independent Auditor's Report

To the Board of Commissioners
Houston Housing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the Houston Housing Authority as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Houston Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain component units included in the Discrete Component Units, which represent 13 percent, 34 percent, and 16 percent, respectively, of the assets, net position and revenues of the Discrete Component Units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors. 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. The financial statements of the discretely presented component units were not audited in accordance with *Governmental Auditing Standards*.

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 opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Houston Housing Authority as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We and the other auditors 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 opinions on the financial statements that collectively comprise the Houston Housing Authority's basic financial statements. The financial data schedules required by the U.S Department of Housing and Urban Development ("HUD") listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The financial data schedules required by HUD and the schedule of expenditures of federal awards 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. 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 by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the financial data schedules required by HUD and the schedule of expenditures of federal awards 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 14, 2022, on our consideration of the Houston Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Houston Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Houston Housing Authority's internal control over financial reporting and compliance.



Charlotte, North Carolina
September 14, 2022

Houston Housing Authority

Management's Discussion and Analysis December 31, 2019

The Management's Discussion and Analysis (MD&A) for the Houston Housing Authority (the Authority) offers a narrative overview and analysis of its audited financial statements for the fiscal year ended December 31, 2019. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenue covered current year expenses and the extent to which the Authority has invested its capital assets. The MD&A requirements are established by Governmental Accounting Standards Board Statement #34 (GASB 34) to report the most relevant information for assessing the Authority's financial strength. The MD&A presented below discusses the FY2019 (current year) results in comparison with the FY2018 (prior year), with emphasis on the current year.

Organization

The Authority is a public body corporate and politic pursuant to the laws of the State of Texas that was organized in 1938. The mission of the Authority is to improve lives by providing affordable housing options for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other Federal Agencies. The Authority opened its first property in 1939 and today manages 28 properties with 5,902 units throughout the greater Houston area. Additionally, the Authority provides affordable housing opportunities to over 17,000 voucher participants in the Housing Choice Voucher program. Included within these vouchers is one of the nation's largest Veterans Affairs Supportive Housing (VASH) programs.

The Authority is governed by a seven-member Board of Commissioners that is appointed by the Mayor of the City of Houston.

2019 Highlights

The Houston Housing Authority accomplished many notable achievements during 2019.

- Continued Agency Performance - The Authority was designated as a high performer by HUD for its Voucher Programs. A new five-year plan was implemented previously that established priorities for future Authority performance. Furthering this, a new agency wide strategic plan was developed that identifies goals for the Authority. To assist the Authority in meeting these new goals peak performance training continues to be provided to managers in the HCV program. In addition to continuing the actions started in prior years the agency established 18 site based waiting lists for our public housing developments, implemented a new VOIP phone system at 17 remote sites, implemented the Kronos Human Resources Management System, and completed a major technology infrastructure initiative that allows the voucher program and other Authority departments to work in a paperless environment. This initiative proved its value to HHA as it was heavily relied upon when the global pandemic forced a majority of HHA staff into remote work status. Improvements continue to be made to this paperless work product that is being designed to help the agency to maintain its high performer status while taking into consideration the continued expectation that funding for the voucher program at the federal level will continue to be a challenge.
- The Public Housing program achieved standard performer status as continued effort between Public Housing staff and the private management companies allowed for the agency to effectively manage its housing portfolio. This collaboration between the Authority and the management companies will allow the Authority to be more responsive to the needs of our housing residents.

Houston Housing Authority

Management's Discussion and Analysis December 31, 2019

- Increasing Quantity of Housing - The Authority continued pursuing additional opportunities to grow its portfolio by either acquiring existing or building new affordable housing properties. Periodic Requests for Proposals (RFP) are issued to allow potential development partners to submit proposals to the Authority. The Authority completed negotiations with the Texas Department of Transportation (TXDOT) to facilitate their acquisition of the obsolete and flood damaged Clayton property. Funds received from this disposition will allow the Authority to replace every affordable unit at Clayton and over time expand the number of affordable units in the greater neighborhood near Clayton. Additional land was acquired for the New Kelly project which is planned for future construction that will add an additional 31 public housing units to the portfolio. In addition the Telephone Road property was awarded 9% tax credits for a planned major renovation. On the voucher side of the business the Authority continued high utilization of its regular housing choice vouchers. The voucher department reported a utilization rate of 98%.
- Increase the Quality of Housing - The Authority was awarded the largest number of Mainstream Vouchers in the country (272). This \$2.23 million award is the fourth highest funding amount awarded in the country. The agency also leased 70 Family Unification Program (FUP) vouchers. During 2019 the Authority served 339 people including 54 chronically homeless through the Rapid Rehousing Transitioning Aged youth program and 1668 adults including 268 chronically homeless individuals via the groundbreaking Rapid Rehousing Program.
- Invested \$2.06 million in capital improvements spread over several public housing developments.
- During August 2017, Hurricane Harvey struck the Houston area with devastating impact. There was some level of damage to 1,056 units or 18% of the Authority's property portfolio. Of this number, some 324 units had some level of flooding due to the storm. Three public housing properties suffered the majority of the damage in this segment of the portfolio. These properties were Clayton which had 112 units flooded, Forest Green which had 84 units flooded and Irvington which had 10 units flooded. On the tax credit portfolio, Uvalde Ranch had 74 units flooded and Mansions at Turkey Creek had 44 units flooded. All other damage to units was attributed to leaks. One other tax credit property did not have any units flooded but suffered significant damage due to the flood was 2100 Memorial which is a high rise building. Total damage estimates due to Harvey on the Authority portfolio are close to \$50 Million. The seven properties itemized above are estimated to approximate \$43 Million of the total damage or some 86% of the damage estimate. The Authority has been working with the associated management companies, lenders, equity investors, insurance adjusters, etc. to process all insurance claims and complete repairs in as efficient and timely a case as possible. A significant number of claims have also been made via FEMA that continue to be pursued. The Authority is committed to restoring or replacing all of the units damaged by Harvey.
- During early 2020 the Authority along with the rest of the country had to make significant changes to its normal operating routines in response to the Covid 19 pandemic. The Authority was able to quickly transition a significant portion of its staff to working remotely. During this time frame the Authority was able to continue to serve its clients with the type of customer service they had previously received. With the Covid funding received during the pandemic the Authority was able to significantly upgrade its operating equipment and technology which will benefit the Authority for years to come.

Houston Housing Authority
Management's Discussion and Analysis
December 31, 2019

Financial highlights

Some of the Authority's financial highlights for the fiscal year end December 31, 2019 include:

- The assets of the Authority exceeded its liabilities at December 31, 2019 by \$156,941,871.
- The Authority's investment in Capital Assets net of related debt at December 31, 2019 was \$87,226,250.
- The Authority's total revenue for the year ending December 31, 2019 was \$243,807,296.
- The Authority's total expenses for the year ending December 31, 2019 were \$246,911,081. Included in this total is \$14,273,205 for depreciation and amortization expenses. This significant expense does impact total operating expenses but does not require any cash expenditure.

Reporting entity

The Authority administers annual contribution contracts to provide low-income housing and affordable housing with the primary support from HUD. The primary programs administered by the Authority are as follows:

Low Rent Public Housing - The objective of this program is to provide safe, decent and sanitary housing and related facilities for over 3,300 eligible low-income families, the elderly and disabled.

Housing Choice Voucher Program - The objective of this program is to assist over 17,000 eligible very low-income families, the elderly and the disabled through the use of vouchers to subsidize rental costs to private landlords.

Capital Fund and Replacement Housing Program - The objective of this program is to provide necessary funds to improve the physical condition of the public housing units. Replacement housing funds are available to acquire or construct new housing units to replace those lost due to demolition or disposition.

Tax Credit Equity Development - The Low Income Housing Tax Credit Program is an indirect Federal subsidy for private equity to finance the development of over 2,000 affordable rental housing for low-income households.

Residents Services Programs - The objective of these programs is to assist the needs of residents and promote the development of local strategies to coordinate the use of assistance under public and private programs for supportive services and resident empowerment activities.

The Authority has considered all potential blended and discrete component units in determining how to define the reporting entity. Blended component units are reported as part of the Business Activities of the Authority as they provide services exclusively for the Authority. These corporations are instrumentalities of the Authority and include: 1) the general partners in limited partnerships formed for the acquisition, development and management of tax credit properties and 2) Houston Housing Resources, Inc., an instrumentality of the Authority formed to provide funding resources for the benefit of Authority clients.

Houston Housing Authority
Management's Discussion and Analysis
December 31, 2019

Basis of presentation and accounting

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America. The Authority reports under the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting. The enterprise fund utilizes measurement focus to emphasize the flow of economic resources. In this fund, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

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

Budgets

Comprehensive budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis. Budgets are not, however, legally required for financial statement presentation.

Using this annual report

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: (1) fund financial statements, and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Authority is a special-purpose government entity engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

The statement of revenue, expenses and changes in net position presents information detailing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The statement of cash flows provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and related financing activities.

Houston Housing Authority

Management's Discussion and Analysis December 31, 2019

These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from HUD.

Statement of Net Position:

Presented below are condensed asset, liability and net position information for the 2019 fiscal year as compared to the 2018 fiscal year:

	FY 2019	FY 2018	INCREASE (DECREASE)
Assets			
Total Current Assets	\$ 31,136,137	\$ 29,117,110	\$ 2,019,027
Total Restricted Assets	19,774,930	27,837,714	(8,062,784)
Net Capital Assets	238,883,930	255,042,717	(16,158,787)
Total Other Noncurrent Assets	68,954,712	72,269,418	(3,314,706)
Total Assets	\$ 358,749,709	\$ 384,266,959	\$ (25,517,250)
Liabilities and Deferred Inflow of Resources			
Total Current Liabilities	\$ 17,172,596	\$ 23,827,973	\$ (6,655,377)
Current Liabilities - Payable from Restricted Assets	1,456,610	1,505,856	(49,246)
Total Noncurrent Liabilities	183,178,632	205,320,813	(22,142,181)
Total Liabilities and Deferred Inflow of Resources	201,807,838	230,654,642	(28,846,804)
Net Position			
Net Investment in Capital Assets	87,226,250	79,790,533	7,435,717
Restricted Net Position	15,165,583	19,889,221	(4,723,638)
Unrestricted Net Position	54,550,038	53,932,563	617,475
Total Net Position	156,941,871	153,612,317	3,329,554
Total Liabilities and Net Position	\$ 358,749,709	\$ 384,266,959	\$ (25,517,250)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$156,941,871 at December 31, 2019 and \$153,612,317 at December 31, 2018.

A significant balance of the Authority's net position is invested in capital assets (e.g., buildings, machinery, and equipment). The Authority uses these capital assets to provide housing services to residents; consequently, these assets are not available for future spending. The majority of the Authority's net position is unrestricted. The unrestricted net position of the Authority is available for future use to provide program services.

During fiscal year 2019, net investment in capital assets increased by \$7.4 million. Additional information on the Authority's capital assets can be found in Note 7 of this report.

Total restricted net position decreased by \$4.7 million. This decrease was primarily due to the use of restricted cash associated with the ESCO and converting this to net investment in capital assets.

Houston Housing Authority
Management's Discussion and Analysis
December 31, 2019

Total long-term debt outstanding as of December 31, 2019 and December 31, 2018 are as follows:

	2019	2018
Due to Primary Government from Discrete Component Units	\$ 33,335,268	\$ 45,480,702
Business activity debt	21,190,354	21,709,023
ESCO loan	24,385,907	25,122,208
Discrete Component Unit third party mortgages and notes payable	74,784,730	89,245,107
 Total debt outstanding	 153,696,259	 181,557,040
 Less: current maturities	 (2,748,932)	 (13,674,097)
 Total long-term debt	 <u>\$ 150,947,327</u>	 <u>\$ 167,882,943</u>

The Authority's total long-term debt decreased by \$16,935,616. The primary reason for this decrease in debt is attributable to the construction debt related to the Independent Heights development and the sale of the Winkler tax credit property to an affiliate of the limited partner.

Total Net Position at the end of the 2019 fiscal year stands at \$156.9 million and is made up of \$87.2 million in net investment in capital assets, \$15.2 million in restricted net position and \$54.6 million in unrestricted net position. Total Net position increased from the prior year by \$3.3 million due to the reasons discussed in the preceding sections of this report. The Net Position indicates the Authority's available resources to meet ongoing obligations to program participants and creditors.

Statement of Revenues, Expenses and Changes in Net Position

Results of operations are as follows:

	Year ended December 31, 2019	2018	Increase (Decrease)
Operating Revenues and Expenses:			
Operating Revenues	\$ 44,817,876	\$ 48,107,533	\$ (3,289,657)
Governmental Operating Revenues	190,355,874	177,045,622	13,310,252
Operating Expenses	(224,701,228)	(214,213,583)	(10,487,645)
 Operating Income (Loss)	 10,472,522	 10,939,572	 (467,050)
 Non-Operating Revenues and Expenses:			
Interest Expense	(7,927,648)	(8,771,157)	843,509
Gain (Loss) on Sale of Capital Assets	(6,775)	(3,091,174)	3,084,399
Interest Revenue	1,655,180	1,795,509	(140,329)
Capital Grant Revenue	6,976,141	18,240,703	(11,264,562)
Depreciation/Amortization Expense	(14,273,205)	(14,822,434)	549,229
 Total Non-Operating Revenues and Expenses	 (13,576,307)	 (6,648,553)	 (6,927,754)
 Change in Net Position	 (3,103,785)	 4,291,019	 (7,394,804)
Net Position - Beginning of Year	153,612,317	149,321,298	4,291,019
Equity Transfer	-	-	-
Change in Reporting Entity	6,433,339	-	6,433,339
 Net Position - End of Year	 \$ 156,941,871	 \$ 153,612,317	 \$ 3,329,554

The net position of the Authority increased by \$3.3 million during the year ended December 31, 2019. The Authority's revenues are largely governmental revenues received from cost reimbursement grants. The Authority draws down monies from the grants' awards for allowable program expenses, except for non-cash transactions, such as depreciation expense and changes in asset and liability accounts.

Houston Housing Authority
Management's Discussion and Analysis
December 31, 2019

Economic factors and budgetary highlights

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the Federal budget than by local economic conditions. The Authority adopts annual operating budgets based on subsidy provided by the U.S. Department of Housing and Urban Development and dwelling rental income received from tenants. During 2020 the Authority was awarded significant funding associated with the Covid pandemic as part of the governments overall reaction to this event. The Authority was able to utilize these additional awards to invest in equipment upgrades and to offset any increased operating costs associated with the pandemic.

Contacting the Authority's financial management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vice President of Fiscal and Business Operations of the Houston Housing Authority, 2640 Fountain View Dr., Houston, Texas 77057.

Houston Housing Authority

Statement of Net Position December 31, 2019

	Primary Government	Discrete Component Units	Total Reporting Entity
Current Assets			
Cash and cash equivalents - unrestricted	\$ 20,942,791	\$ 3,171,303	\$ 24,114,094
Investments	536,942	-	536,942
Accounts receivable - tenants, net	148,113	163,543	311,656
Accounts receivable - PHA projects	304	-	304
Accounts receivable - HUD	1,080,491	-	1,080,491
Accounts receivable - other, net	1,990,123	42,623	2,032,746
Prepaid expenses	2,412,540	647,364	3,059,904
Total Current Assets	27,111,304	4,024,833	31,136,137
Restricted Assets			
Resident security deposits	750,007	747,490	1,497,497
Restricted cash	9,854,449	8,422,984	18,277,433
Total Restricted Assets	10,604,456	9,170,474	19,774,930
Capital Assets			
Land	38,056,647	1,182,545	39,239,192
Buildings and improvements	296,940,179	183,196,841	480,137,020
Furniture, equipment and machinery - dwellings	7,492,110	10,834,711	18,326,821
Furniture, equipment and machinery - administration	2,949,123	-	2,949,123
Construction in progress	7,899,261	-	7,899,261
	353,337,320	195,214,097	548,551,417
Less: Accumulated depreciation	(237,039,688)	(72,627,799)	(309,667,487)
Total Capital Assets	116,297,632	122,586,298	238,883,930
Other Noncurrent Assets			
Notes receivable - from Discrete Component Units	45,880,949	-	45,880,949
Developer fees receivable	4,719,446	-	4,719,446
Prepaid ground leases	-	5,189,361	5,189,361
Other assets	12,991,251	173,705	13,164,956
Total Other Noncurrent Assets	63,591,646	5,363,066	68,954,712
Total Assets	\$ 217,605,038	\$ 141,144,671	\$ 358,749,709

Houston Housing Authority

Statement of Net Position December 31, 2019

	Primary Government	Discrete Component Units	Total Reporting Entity
Current Liabilities			
Accounts payable	\$ 1,282,187	\$ 411,690	\$ 1,693,877
Accounts payable - other PHAs	5,808	-	5,808
Accounts payable - HUD	472,555	-	472,555
Accrued wages/taxes payable	17,571	-	17,571
Accrued interest payable	495,326	1,070,507	1,565,833
Accrued expenses	2,648,941	4,116,344	6,765,285
Current portion of long-term debt - capital projects	1,355,652	1,393,280	2,748,932
Unearned revenue	1,730,792	83,080	1,813,872
Other current liabilities	1,992,211	-	1,992,211
Accrued compensated absences - current portion	96,652	-	96,652
Total Current Liabilities	10,097,695	7,074,901	17,172,596
Current Liabilities Payable from Restricted Assets			
Resident security deposits	724,336	732,274	1,456,610
Noncurrent Liabilities			
Accrued compensated absences - net of current portion	569,153	-	569,153
Long-term debt - capital projects - net of current portion	44,220,609	73,391,450	117,612,059
Long-term debt - to Primary Government - net of current portion	-	33,335,268	33,335,268
Ground lease liability	5,817,601	-	5,817,601
Other noncurrent liabilities	1,544,180	24,300,371	25,844,551
Total Noncurrent Liabilities	52,151,543	131,027,089	183,178,632
Total Liabilities	62,973,574	138,834,264	201,807,838
Net Position			
Net investment in capital assets	72,759,950	14,466,300	87,226,250
Restricted net position - program reserves	6,810,463	8,355,120	15,165,583
Unrestricted net position	75,061,051	(20,511,013)	54,550,038
Total Net Position	154,631,464	2,310,407	156,941,871
Total Liabilities and Net Position	\$ 217,605,038	\$ 141,144,671	\$ 358,749,709

See Notes to Financial Statements.

Houston Housing Authority

Statement of Revenues, Expenses and Changes in Net Position Year Ended December 31, 2019

	Primary Government	Discrete Component Units	Total Reporting Entity
Operating Revenue			
Dwelling rent	\$ 12,037,165	\$ 18,967,197	\$ 31,004,362
HUD operating subsidy and grant revenue	190,355,874	-	190,355,874
Other income	2,279,577	2,640,790	4,920,367
Total Operating Revenue	<u>204,672,616</u>	<u>21,607,987</u>	<u>226,280,603</u>
Operating Expenses			
Administrative	24,631,148	4,686,670	29,317,818
Tenant services	1,329,729	286,953	1,616,682
Utilities	3,218,940	1,944,661	5,163,601
Maintenance and operations	9,819,551	5,045,673	14,865,224
Protective services	1,765,800	598,797	2,364,597
General	7,159,788	2,196,296	9,356,084
Housing assistance payments	162,017,222	-	162,017,222
Depreciation and amortization	8,496,095	5,777,110	14,273,205
Total Operating Expenses	<u>218,438,273</u>	<u>20,536,160</u>	<u>238,974,433</u>
Operating Income (Loss)	<u>(13,765,657)</u>	<u>1,071,827</u>	<u>(12,693,830)</u>
Nonoperating Revenues (Expenses)			
Investment income - unrestricted	246,252	6,751	253,003
Investment income - restricted	-	20,084	20,084
Investment income from notes receivable	1,382,093	-	1,382,093
Gain on sale of capital assets	2,225	-	2,225
Extraordinary maintenance	(9,000)	-	(9,000)
Interest expense	(1,692,260)	(6,235,388)	(7,927,648)
Total Nonoperating Revenues (Expenses)	<u>(70,690)</u>	<u>(6,208,553)</u>	<u>(6,279,243)</u>
Income (Loss) Before Capital Grants	<u>(13,836,347)</u>	<u>(5,136,726)</u>	<u>(18,973,073)</u>
Capital Grants			
HUD capital grants	851,882	-	851,882
Other government grants	6,124,259	-	6,124,259
Total Capital Grants	<u>6,976,141</u>	<u>-</u>	<u>6,976,141</u>
Capital Contributions from limited partners	<u>-</u>	<u>8,893,147</u>	<u>8,893,147</u>
Change in Net Position	(6,860,206)	3,756,421	(3,103,785)
Net Position - Beginning	161,408,990	(7,796,673)	153,612,317
Change in reporting entity	-	6,433,339	6,433,339
Equity transfers	82,680	(82,680)	-
Net Position - Ending	<u>\$ 154,631,464</u>	<u>\$ 2,310,407</u>	<u>\$ 156,941,871</u>

See Notes to Financial Statements.

Houston Housing Authority
Statement of Cash Flows
Year Ended December 31, 2019

	Primary Government
Cash flows from operating activities	
Dwelling rent receipts	\$ 12,014,794
Operating subsidy and grant receipts	192,635,178
Other income receipts	<u>2,338,697</u>
Total receipts	<u>206,988,669</u>
Payments to vendors	(32,060,074)
Payments to employees	(15,099,059)
Housing assistance payments	<u>(162,017,222)</u>
Total disbursements	<u>(209,176,355)</u>
Net cash used in operating activities	<u>(2,187,686)</u>
Cash flows from investing activities	
Investment income	246,252
Payments received on notes receivable and interest receivable	1,861,956
Advances made on notes receivable	(880,110)
Receipt of developer fee advances	1,487,170
Proceeds from sale of investments	4,129,388
Receipt of other assets	<u>6,024,307</u>
Net cash provided by investing activities	<u>12,868,963</u>
Cash flows from capital and related financing activities	
Capital grants receipts - HUD	610,009
Capital asset purchases	(8,225,423)
Proceeds from sale of capital assets	2,225
Payment of deferred financing fees	(9,000)
Payment of long-term debt	(1,254,970)
Other government grants	6,124,259
Interest paid on long-term debt	<u>(5,787,765)</u>
Net cash used in capital and related financing activities	<u>(8,540,665)</u>
Net increase in cash, cash equivalents and restricted cash	2,140,612
Cash, cash equivalents and restricted cash, beginning	<u>29,406,635</u>
Cash, cash equivalents and restricted cash, ending	<u><u>\$ 31,547,247</u></u>
Reconciliation to statement of net position:	
Cash and cash equivalents - unrestricted	\$ 20,942,791
Restricted cash	9,854,449
Resident security deposits	<u>750,007</u>
Total	<u><u>\$ 31,547,247</u></u>

Houston Housing Authority
Statement of Cash Flows
Year Ended December 31, 2019

	<u>Primary Government</u>
Reconciliation of operating income (loss) to net cash used in operating activities	
Operating income (loss)	<u>\$ (13,765,657)</u>
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Depreciation and amortization	8,496,095
Changes in asset and liability accounts	
(Increase) decrease in assets	
Accounts receivable - tenants, net	(22,371)
Accounts receivable - HUD	387,245
Accounts receivable - other	240,420
Prepaid expense	(1,791,207)
Increase (decrease) in liabilities	
Accounts payable	551,195
Accounts payable - HUD	334,774
Accrued wages/taxes payable	(142,186)
Accrued expenses	644,732
Other current liabilities	789,324
Other noncurrent liabilities	620,514
Unearned revenue	1,557,285
Ground lease liability	(188,152)
Tenant security deposits payable	6,852
Accrued compensated absences	93,451
	<u>11,577,971</u>
Total adjustments	
	<u>\$ (2,187,686)</u>
Net cash used in operating activities	

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 1 - Organization and summary of significant accounting policies

Organization

The Houston Housing Authority (the Authority) is a public body corporate and politic pursuant to the laws of the State of Texas which was organized to provide affordable housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other Federal Agencies.

Reporting entity

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

Blended Component Units

Based upon the application of these criteria, the reporting entity includes blended component units as follows:

Redevelopment Corporations

Redevelopment corporations are instrumentalities of the Authority. They are general partners and/or affiliates of general partners in limited partnerships formed for the acquisition and management of tax credit properties. The Authority has set up various redevelopment corporations, which have been authorized under Mixed Finance Proposals approved by HUD for the development of Historic Oaks of Allen Parkway Village, Victory Apartments, Fulton Village, 2100 Memorial Apartments, Victory Redevelopment Corporation, and APV Redevelopment Corporation. These redevelopment corporations and/or their affiliates have entered into limited partnerships with different limited partners for tax credit equities.

Memorial Drive Elderly, LP, APV Historic Community, LP, 100 Victory, LP, and Fulton Village Apartments, LP are formerly discretely presented component units whose partnership agreements have been amended to restructure the partnerships to admit affiliates of the Authority, as the limited partners.

HHA Fountainview PFC and Houston Housing Resources, a non-profit, are also blended component units of the Authority.

Discretely Presented Component Units

Based upon the application of the above criteria, the reporting entity includes 10 discretely presented component units.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

APV-Fondren Road GP, LLC entered into a limited partnership with Boston Financial Institutional Tax Credits XXVII, LP and MMA Special Limited Partner, Inc. to form APV-Fondren Road Apartments, LP. Embrey Management Services is the property manager for the 260 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because APV-Fondren Road GP, LLC does not have the ability to control the operations of the partnership.

APV-Heatherbrook GP, LLC entered into a limited partnership with Hudson/Heatherbrook, LLC and Hudson SLP, LLC to form Houston Heatherbrook, LP. Tarantino Properties, Inc. is the property manager for the 126 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because APV-Heatherbrook GP, LLC does not have the ability to control the operations of the partnership.

Lincoln Park Apartments GP, LLC entered into a limited partnership with Boston Financial Institutional Tax Credits XXXII, LP and MMA Special Limited Partner, Inc. to form Lincoln Park Apartments, LP. Orion Real Estate Services, Inc. is the property manager for the 250 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because Lincoln Park Apartments GP, LLC does not have the ability to control the operations of the partnership.

Oxford Community GP, LLC entered into a limited partnership with MMA Financial Institutional Tax Credits XXIX, LP and MMA Special Limited Partner, Inc. to form Oxford Community Apartments, LP. Orion Real Estate Services, Inc. is the property manager for the 250 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because Oxford Community GP, LLC does not have the ability to control the operations of the partnership.

The Peninsula Apartments I, LLC entered into a limited partnership with Boston Capital Corporate Tax Credit Fund XIX, LP and BCCC, Inc. to form Peninsula Apartments, LP. Orion Real Estate Services, Inc. is the property manager for the 280 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because The Peninsula Apartments I, LLC does not have the ability to control the operations of the partnership.

TX Uvalde Ranch GP, LLC entered into a limited partnership with Hudson Uvalde, LLC, Hettig Development Group IV, Ltd., and Hudson SLP, LLC to form Uvalde Ranch, Ltd. Hettig Management Corporation is the property manager for the 244 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because TX Uvalde Ranch GP, LLC does not have the ability to control the operations of the partnership.

VSPFC-Wilcrest GP, LLC entered into a limited partnership with AMTAX Holdings 646, LLC and PROTECH 2004-D, LLC to form VSPFC-Wilcrest Apartments, LP. Embrey Management Services, Ltd. is the property manager for the 250 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because VSPFC-Wilcrest GP, LLC does not have the ability to control the operations of the partnership.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

APV Turkey Creek, LLC entered into a limited partnership with Centerline Credit Enhanced Partners - Series J and CharterMac Credit Enhanced SLP LLC - Series J to form Mansions at Turkey Creek, LP. Alpha-Barnes Real Estate Services is the property manager for the 252 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because APV Turkey Creek, LLC does not have the ability to control the operations of the partnership.

APV GP Sweetwater, LLC entered into a limited partnership with Centerline Housing Partnership III, LP, RCHP SLP III, LP, and Picerne Sweetwater Point, LLC to form Sweetwater Point Limited Partnership. The Lynd Company is the property manager for the 260 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because APV GP Sweetwater, LLC does not have the ability to control the operations of the partnership.

TX Winkler Housing GP, LLC entered into a limited partnership with Centerline Enhanced Partners LP Series B, RCC Credit Enhanced SLP LLC - Series B, and 8600 Winkler LLC to form Winkler Senior Housing, LP. The Lynd Company is the property manager for the 234 rental units. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because TX Winkler Housing GP, LLC does not have the ability to control the operations of the partnership. Effective March 8, 2019, TX Winkler Housing GP, LLC sold its .01% interest in Winkler Senior Housing, LP and the partnership is no longer shown as a discretely presented component unit.

Independence Heights Apartments GP, LLC, a Texas limited liability company entered into a limited partnership agreement with APV Redevelopment Corporation, a Texas nonprofit corporation and blended component unit of the Authority to form Independence Heights Apartments, LP. During 2017, APV Redevelopment Corporation assigned its limited partner interest to Alden Capital Partners Tax Credit Fund 20, LP, a Delaware limited partnership. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Houston Housing Authority because Independence Heights Apartments GP, LLC does not have the ability to control the operations of the partnership. Prior to the assignment of limited partner interest, the partnership was presented as a blended component unit of the Authority.

Programs administered by the Authority

The Authority administers annual contribution contracts to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development (HUD). The primary programs administered by the Authority are as follows:

Low Income Public Housing - The objective of this program is to provide decent, safe, and sanitary housing and related facilities for eligible low-income families and the elderly.

Capital Fund Program (CFP) - The objective of these programs is to improve the physical condition of the public housing units and upgrade the management of the program.

Housing Choice Voucher Program (HCV) - The objective of this program is to provide housing for eligible low-income families through the use of vouchers.

Mainstream Vouchers - The objective of this program is to provide housing for families having a person with disabilities to lease affordable private housing through the use of vouchers.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Continuum of Care - The objective of this program is to promote and fund communitywide commitment to the goal of ending homelessness.

Section 8 Single Room Occupancy - The objective of this program is to provide rental assistance to homeless individuals.

Section 8 Housing Assistance - Moderate Rehabilitation - The objective of the program is to assist low-income families in affording decent, safe and sanitary housing by encouraging property owners to rehabilitate existing substandard housing, and then to lease the units with rental subsidies to low-income families.

Section 8 New Construction & Substantial Rehabilitation - The objective of this program is to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects.

Basis of presentation and accounting

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards.

Based upon compelling reasons offered by HUD, the Authority reports under the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting. The enterprise fund emphasizes the flow of economic resources as a measurement focus. In this fund, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

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

All of the Authority's programs are accounted for as one business-type activity reported in a single enterprise fund.

Budgets

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis. Budgets are not, however, legally adopted nor legally required for financial statement presentation.

Cash equivalents

Cash and cash equivalents consist principally of demand deposits and U.S. Treasury Instruments with original maturities of 90 days or less. These are stated at cost which approximates fair value.

Accounts receivable

Tenant accounts receivable are carried at the amount considered by management to be collectible. Other accounts receivable consist primarily of amounts due from HUD and other agencies for grant income.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Inter-program receivables, payables, revenues, and expenses

Inter-program receivables/payables are all current, and are the result of the use of the Central Office Cost Center as the common paymaster for shared costs of the Authority. Cash settlements are made periodically and all inter-program balances net to zero. These inter-program receivables and payables have been eliminated in the preparation of the basic financial statements as they relate to the primary government. The detail by program can be found in the Financial Data Schedule of this report. Inter-program revenues and expenses for management and bookkeeping fees charged by the central office cost center to the various programs have also been eliminated in the preparation of the basic financial statements as they relate to the primary government.

Investments

Investments are recorded at cost which approximates fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Texas.

Inventories

The Authority maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are minimal. The Authority's administration believes that the benefits of maintaining an inventory would be less in value than the cost of maintaining such a system.

Operating revenues and expenses

Operating revenues and expenses consist of revenues earned and expenses incurred as a result of the principal operations of the Authority. Operating revenue results from exchange transactions associated with providing housing and related services and federal operating subsidies and housing assistance payments that are directly related to the Authority's mission. Non-operating revenue includes capital and noncapital federal grants, interest revenue, and other revenues not meeting the definition of operating. Operating expenses consist of all expenses incurred to provide housing services.

Prepaid items

Payments made to vendors for goods or services that will benefit periods beyond December 31, 2019 are recorded as prepaid items.

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.

Net investment in capital assets

This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and associated debt.

Restricted net position

Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions; or enabling legislation.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Unrestricted net position

This category includes the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Use of estimates

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

Fair value of financial instruments

The carrying amount of the Authority's financial instruments at December 31, 2019, including cash, investments, accounts receivable, and accounts payable, closely approximates fair value.

Capital assets

All purchased capital assets are valued at cost when historical records are available. When no historical records are available, capital assets are valued at estimated historical cost. Donated capital assets are recorded at their acquisition value at the time they are received. Donor imposed restrictions are deemed to expire as the asset depreciates. Land values were derived from development closeout documentation.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold of \$5,000.

Depreciation

The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation commences on modernization and development additions in the year following completion. The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building modernization	10 years
Equipment	5 years

Maintenance and repairs expenditures

Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$5,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Impairment of long-lived assets

The Authority has been, and is currently, involved in various demolition activities in conjunction with its modernization and development programs. In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, the Authority has, at December 31, 2019, recognized in the accompanying financial statements the impact of the demolition activities. Under the provisions of the statement, 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

Houston Housing Authority

Notes to Financial Statements December 31, 2019

capital asset that should be written off. During the year ended December 31, 2019, the Authority recognized no impairment for the primary government. For the year ended December 31, 2019, the entities comprising the discrete component units of the Authority recognized no impairment.

The Authority reviews mortgage notes receivable for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the asset are less than the carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment losses were recorded during the year ended December 31, 2019.

Debt issuance costs

In accordance with the basis of accounting used by the Authority's discretely presented component units, debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgages payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Debt issuance costs in the amount of \$3,085,843 are reported as a direct deduction from the face amount of the mortgage and notes payable to which such costs relate.

Debt issuance costs for the primary government are expensed when incurred.

Compensated absences

Compensated absences are those absences for which employees will be paid, such as vacation, computed in accordance with GASB No. 16, *Accounting for Compensated Absences*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

Litigation losses

The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurs but not before the loss is probable and the loss is reasonably estimated.

Equity transfer

Equity has decreased for the primary government and increased for discretely presented component units due to transfer of activity to conform with accounting principles generally accepted in the United States of America.

Annual contribution contracts

Annual Contribution Contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance

Houston Housing Authority

Notes to Financial Statements December 31, 2019

coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

Application of restricted resources

The Authority will first apply restricted resources when an expense incurred for purposes for which both restricted and unrestricted net position are available.

New accounting updates

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). This statement is effective for financial statements with periods beginning after June 15, 2022. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. This statement is effective for financial statements with periods beginning after June 15, 2022. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement is effective for financial statements with periods beginning after June 15, 2021. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 was effective immediately and postponed the effective dates of certain GASB Statements and Implementation Guides for one year from their respective original effective dates to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The adoption of this Statement provided for early adoption of any of the postponed GASB Statements and Implementation Guides.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* effective for financial statements with fiscal years ending after December 15, 2021. Management is currently evaluating the impact of adopting this standard.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

The GASB issued Statement No. 99, *Omnibus 2022*. GASB Statement No. 99 addresses a variety of topics including, among other things, Accounting and Financial Reporting for Derivative Instruments, Leases, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and Subscription-Based Information Technology Arrangements. This statement is effective for financial statements with periods beginning after June 15, 2021 through June 15, 2023. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, effective for financial statements with periods beginning after June 15, 2023. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 101, *Compensated Absences* effective for financial statements beginning after December 15, 2023. Management is currently evaluating the impact of adopting this standard.

The effective dates of certain provisions in the following pronouncements are postponed by one year or 18 months for GASB Statement No. 87:

The GASB issued Statement No. 87, *Leases* effective for financial statements beginning after December 15, 2019. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements effective for financial statements beginning after June 15, 2018. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* effective for financial statements beginning after December 15, 2019. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 90, *Majority Equity Interests*, an amendment of GASB Statements No. 14 and No. 61. The standard establishes criteria for reporting presentation for a government's majority equity interest in a legally separate organization. This statement is effective for financial statements with periods beginning after December 15, 2018. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 91, *Conduit Debt Obligations*. The standard provides a single method of reporting conduit debt obligations. This statement is effective for financial statements with periods beginning after December 15, 2020. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 92, *Omnibus 2020*. GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. This statement is effective for financial statements with periods beginning after June 15, 2021. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Statement No. 87, *Leases* and other accounting and financial reporting implications. The removal of LIBOR as an appropriate benchmark interest rate in this Statement are effective for financial statements with periods beginning after June 15, 2020. All other requirements of this statement are effective for financial statements with periods beginning after June 15, 2021. Management is currently evaluating the impact of adopting this standard.

Note 2 - Deposits and investments

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents.

HUD requires public housing authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

Cash and cash equivalents

HUD also requires that deposits of HUD program funds be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

Investments

The Authority is permitted to invest funds in deposit accounts at federally insured financial institutions; in obligation of the U.S. Treasury or U.S. Government agencies; Local or State Government Investment Pools; and Repurchase Agreements with financial institutions (as long as the entire balance is collateralized by specifically identified securities of the U.S. Government or its agencies). All of the Authority's investments are valued at fair value using Level 1 of the fair value hierarchy established by GAAP. Fair values determined using Level 1 are based on unadjusted quoted prices for identical assets or liabilities on active markets.

It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

Risks

Interest rate risk - the Authority's investments consists of certificates of deposits, that have maturity dates over 90 days, which are subject to the risk that the interest rates will adversely affect the fair value of the investment; however, the Authority's policy does not address interest rate risk. As of December 31, 2019, \$400,000 of certificates of deposits are due in one year.

Credit rate risk - the Authority's investments consist of certificates of deposits and money market accounts which do not have credit ratings; however, the Authority's policy does not address credit rate risk.

Custodial credit risk - This is the risk that in the event of a bank failure, the Authority's deposits and investments may not be returned to it. As of December 31, 2019, \$1,059,540 of the Authority's deposits and investments were exposed to this risk because the amounts were in excess of FDIC insurance limits however the accounts were collateralized with securities held by the pledging financial institution in the Authority's name.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

For the primary government, cash and cash equivalents consist of the following at December 31, 2019:

	Balance Reported on the Authority's Financial Statements	Balance Deposited with the Financial Institution	FDIC Insurance	Uninsured Amount (Fully Collateralized)
Demand deposits	\$ 31,547,247	\$ 31,984,599	\$ 31,462,001	\$ 522,598
Certificates of deposit	400,000	400,000	-	400,000
Money market	136,942	136,942	-	136,942
Total bank deposits	<u>\$ 32,084,189</u>	<u>\$ 32,521,541</u>	<u>\$ 31,462,001</u>	<u>\$ 1,059,540</u>

Cash and investments are reported on the statement of net position as follows:

Cash and cash equivalents - unrestricted	\$ 20,942,791
Cash and cash equivalents - restricted	<u>10,604,456</u>
Total cash and cash equivalents	<u>31,547,247</u>
Investments - unrestricted	536,942
Investments - restricted	<u>-</u>
Total investments	<u>536,942</u>
Total funds on deposit	<u>\$ 32,084,189</u>
Restricted cash and cash equivalents	
Security deposits	\$ 750,007
Restricted for payment of noncurrent liabilities	6,786,021
Restricted for payment of current liabilities	1,434,757
Other restricted cash	<u>1,633,671</u>
Total restricted cash and cash equivalents	<u>\$ 10,604,456</u>

For the discretely presented component units, cash consists of the following at December 31, 2019:

Cash and investments are reported on the statement of net position as follows:

Cash and cash equivalents - unrestricted	\$ 3,171,303
Cash and cash equivalents - restricted	<u>9,170,474</u>
Total cash and cash equivalents	<u>12,341,777</u>
Total funds on deposit	<u>\$ 12,341,777</u>
Restricted cash and cash equivalents	
Security deposits	\$ 747,490
Restricted escrow and reserve deposits	<u>8,422,984</u>
Total restricted cash and cash equivalents	<u>\$ 9,170,474</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 3 - Accounts receivable

Accounts receivable for the primary government at December 31, 2019 were as follows:

Tenants	
Dwelling rents	\$ 171,681
Allowance for doubtful accounts	<u>(23,568)</u>
Net tenant receivables	<u>148,113</u>
HUD (see Note 4 for detail)	<u>1,080,491</u>
Other	
Operating advances to private management companies	842,661
Development fees receivable from co-developers	1,147,462
Accounts receivable - PHA projects	<u>304</u>
	<u>1,990,427</u>
	<u><u>\$ 3,219,031</u></u>

Accounts receivable for the discretely presented component units at December 31, 2019 were as follows:

Tenants	
Dwelling rents	<u><u>\$ 163,543</u></u>

Note 4 - Due from/to U.S. Department of Housing and Urban Development

Amounts due from HUD as of December 31, 2019 were as follows:

Housing Choice Vouchers Program	\$ 350,125
ROSS	26,971
Public Housing Capital Fund	63,083
Section 8 Moderate Rehabilitation	6,990
Multifamily Housing Service Coordinators	15,865
Continuum of Care	178,447
State and Local	135,333
Mainstream Vouchers	20,447
Jobs-Plus Pilot Initiative	<u>283,230</u>
	<u><u>\$ 1,080,491</u></u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Amounts due to HUD as of December 31, 2019 were as follows:

Public and Indian Housing	\$ 331,082
Section 8 Single Room Occupancy	16,791
Section 8 Moderate Rehabilitation	121,072
Mainstream Vouchers	<u>3,610</u>
	<u>\$ 472,555</u>

Note 5 - Prepaid expense

Prepaid expenses for the primary government as of December 31, 2019 were as follows:

Prepaid insurance	\$ 526,540
Earnest money deposits	1,885,700
Prepaid other	<u>300</u>
	<u>\$ 2,412,540</u>

Prepaid expenses for the discretely presented component units as of December 31, 2019 were as follows:

Prepaid insurance	<u>\$ 647,364</u>
-------------------	-------------------

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 6 - Notes receivable

Notes receivable as of December 31, 2019 were as follows:

	Principal	Accrued Interest	Total Receivable
<u>APV-Fondren Road Apartments, LP</u>			
Note Receivable in the original amount of \$346,000 that does not bear interest, matures on October 1, 2037.	\$ 346,000	\$ -	\$ 346,000
Total - APV-Fondren Road Apartments, LP	346,000	-	346,000
<u>Houston Heatherbrook, LP</u>			
Note Receivable in the original amount of \$1,700,000, bears interest at 6%, matures on January 1, 2044.	1,700,000	1,624,484	3,324,484
Advances that do not bear interest and are repayable from the partnership's net cash flow.	422,868	-	422,868
Total - Houston Heatherbrook, LP	2,122,868	1,624,484	3,747,352
<u>Lincoln Park Apartments, LP</u>			
Note Receivable in the original amount of \$4,098,344, bears interest at 5.25% per annum, matures October 1, 2026.	5,092,131	3,187,974	8,280,105
Advances that bear interest at 5.25% per annum, expected to be repaid upon the partnership's receipt of additional loan funding.	2,266,884	984,250	3,251,134
Total - Lincoln Park Apartments, LP	7,359,015	4,172,224	11,531,239
<u>Oxford Community Apartments, LP</u>			
Note Receivable in the original amount of \$8,642,784, bears interest at 6.33% per annum, matures on September 1, 2060.	7,788,498	6,016,188	13,804,686
Total - Oxford Community Apartments, LP	7,788,498	6,016,188	13,804,686
<u>Peninsula Apartments, LP</u>			
Note Receivable in the original amount of \$1,000,000 that does not bear interest, matures on September 1, 2036.	1,000,000	-	1,000,000
Total - Peninsula Apartments, LP	1,000,000	-	1,000,000
<u>Mansions at Turkey Creek, LP</u>			
Note Receivable in the original amount of \$2,500,000, bears interest at 5% per annum, repayable from the partnership's net cash flow.	2,500,000	732,785	3,232,785
Total - Mansions at Turkey Creek, LP	2,500,000	732,785	3,232,785
<u>Independence Heights Apartments, LP</u>			
Note Receivable in the original amount of \$12,218,000, bears no interest, repayable from the partnership's net cash flow, and matures on March 1, 2067.	12,218,887	-	12,218,887
Total - Independence Heights Apartments, LP	12,218,887	-	12,218,887
TOTAL	\$ 33,335,268	\$ 12,545,681	\$ 45,880,949

The notes receivable balances are reviewed each year to evaluate collectability of the note and the related interest receivable. As of December 31, 2019, management considers all notes receivable and related interest receivable balances to be collectible.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 7 - Capital assets

A summary of capital assets for the primary government at 2019 was as follows:

	Balance January 1, 2019	Additions	Transfers and Deletions	Balance December 31, 2019
Land	\$ 36,807,901	\$ 1,248,746	\$ -	\$ 38,056,647
Buildings	296,517,937	503,840	(81,598)	296,940,179
Equipment - dwelling	7,492,110	-	-	7,492,110
Equipment - administration	2,949,123	-	-	2,949,123
Construction in progress	1,426,424	6,472,837	-	7,899,261
Subtotal	345,193,495	8,225,423	(81,598)	353,337,320
Accumulated depreciation	(228,851,187)	(8,496,095)	307,594	(237,039,688)
Total	<u>\$ 116,342,308</u>	<u>\$ (270,672)</u>	<u>\$ 225,996</u>	<u>\$ 116,297,632</u>

Depreciation expense for the year ended December 31, 2019 was \$8,496,095.

A summary of capital assets for the discretely presented component units at December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Transfers and Deletions	Balance December 31, 2019
Land	\$ 3,044,772	\$ -	\$ (1,862,227)	\$ 1,182,545
Buildings	195,400,782	3,841,272	(16,045,213)	183,196,841
Equipment - dwelling	10,613,183	1,169,877	(948,349)	10,834,711
Equipment - administration	2,144,387	148,920	(2,293,307)	-
Subtotal	211,203,124	5,160,069	(21,149,096)	195,214,097
Accumulated depreciation	(72,397,789)	(5,777,110)	5,547,100	(72,627,799)
Total	<u>\$ 138,805,335</u>	<u>\$ (617,041)</u>	<u>\$ (15,601,996)</u>	<u>\$ 122,586,298</u>

Depreciation expense for the year ended December 31, 2019 was \$5,777,110.

Note 8 - Developer fee receivable

The Authority is due a developer fee from various discrete component units. In some cases, the Authority is not the only developer and only receives a percentage of the total developer fee payable by the component unit. The developer fee receivable balances are reviewed each year to evaluate collectability. As of December 31, 2019, management considers all developer fee receivable balances to be collectible. The developer fees receivable at December 31, 2019 were as follows:

Oxford Community, L.P.	\$ 331,804
Independence Heights, LP	1,220,489
Uvalde Ranch, Ltd	295,446
VSPFC-Wilcrest Apartments, L.P.	480,000
Mansions at Turkey Creek, LP	1,948,753
Sweetwater Point, L.P.	442,954
	<u>\$ 4,719,446</u>

Houston Housing Authority

**Notes to Financial Statements
December 31, 2019**

Note 9 - Other assets

A summary of other assets for the primary government at December 31, 2019 was as follows:

Predevelopment costs	\$ 12,078,454
Miscellaneous other assets	<u>912,797</u>
	<u><u>\$ 12,991,251</u></u>

Note 10 - Other current liabilities

Other current liabilities for the primary government as of December 31, 2019 were as follows:

HCV HAP accruals	\$ 1,957,485
Miscellaneous current liabilities	<u>34,726</u>
	<u><u>\$ 1,992,211</u></u>

Note 11 - Unearned revenues

Unearned revenues for the primary government as of December 31, 2019 were as follows:

Prepaid rents	\$ 81,311
Other	<u>1,649,481</u>
	<u><u>\$ 1,730,792</u></u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 12 - Notes, leases and bonds payable

Branch Banking and Trust Company (BB&T)

On June 15, 2017, the Housing Authority entered into a loan agreement for the permanent financing of the Fountainview property with Branch Banking and Trust Company in an amount not to exceed \$13,500,000. The loan bears interest at a rate of 4.91% per annum and matures on June 3, 2032. The amount outstanding as of December 31, 2019 is \$12,770,298.

Payments under the agreement for the ensuing five years and thereafter are as follows:

Year ending December 31,	Principal	Interest	Total
2020	\$ 317,328	\$ 619,977	\$ 937,305
2021	333,396	604,040	937,436
2022	350,280	587,294	937,574
2023	368,016	569,702	937,718
2024	386,652	551,218	937,870
2025 - 2029	2,247,564	2,444,376	4,691,940
2030 - 2033	8,767,062	997,903	9,764,965
	<u>\$ 12,770,298</u>	<u>\$ 6,374,510</u>	<u>\$ 19,144,808</u>

First Security Finance Capital Lease

On December 30, 2015, the Authority entered into an equipment lease-purchase agreement to acquire equipment under an energy performance contract to upgrade the energy efficiency of a significant portion of its public housing units. The total amount of the contract is for \$26,382,215. Installation of the equipment commenced in early 2016 with completion of the work occurring in early 2017. Interest incurred during the installation period has been capitalized. The first principal reduction payment was due on March 15, 2017 and requires monthly payments, as defined, through December 15, 2036. The amount outstanding at December 31, 2019 is \$24,385,907.

Payments under the agreement for the ensuing five years and thereafter are as follows:

Year ending December 31,	Principal	Interest	Total
2020	\$ 816,993	\$ 903,522	\$ 1,720,515
2021	902,349	871,694	1,774,043
2022	1,030,492	836,068	1,866,560
2023	1,128,409	796,058	1,924,467
2024	1,135,642	753,642	1,889,284
2025 - 2029	6,363,280	3,047,972	9,411,252
2030 - 2034	7,625,515	1,958,942	9,584,457
2035 - 2036	5,383,227	231,676	5,614,903
	<u>\$ 24,385,907</u>	<u>\$ 9,399,574</u>	<u>\$ 33,785,481</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Davis-Penn Mortgage Company (DPMC)

The Authority entered into a \$6,000,000 mortgage note with Davis-Penn Mortgage Company on February 23, 2005. The mortgage note is insured by the Federal Housing Administration (FHA) and is collateralized by a deed of trust on 2100 Memorial Drive Apartments. The note bears interest at a rate of 5.63% per annum. Principal and interest are payable by the partnership in monthly installments of \$32,714 through maturity on March 1, 2040.

As of December 31, 2019, \$4,738,920 of principal was outstanding. As of December 31, 2019, \$22,267 of interest is due. During the year ended December 31, 2019, \$270,321 of interest was incurred.

Aggregate annual maturities of the mortgage payable for the ensuing five years and thereafter are as follows:

Year ending December 31,	Principal	Interest	Total
2020	\$ 129,303	\$ 263,264	\$ 392,567
2021	136,767	255,801	392,568
2022	144,661	247,906	392,567
2023	153,012	239,556	392,568
2024	161,844	230,723	392,567
2025 - 2029	960,615	1,002,222	1,962,837
2030 - 2034	1,271,772	1,271,772	2,543,544
2035 - 2039	1,683,717	279,120	1,962,837
2040 - 2041	97,229	911	98,140
	<u>\$ 4,738,920</u>	<u>\$ 3,791,275</u>	<u>\$ 8,530,195</u>

City of Houston

The Authority entered into a loan agreement with the city of Houston for a loan in the maximum amount of \$5,000,000, which is secured by a deed of trust on 100 Victory Apartments. The loan bears interest at 0.50% per annum beginning July 2000. During the year ended December 31, 2007, the loan agreement was amended to provide a provision for loan forgiveness. Pursuant to the amendment to the loan agreement, an annual fee in the amount of \$12,000 shall be made for a fifteen year period, payable on the first business day of the calendar year. One-fortieth of the outstanding principal balance and accrued interest will be deemed paid for each year that the project is operated and maintained in accordance with the loan agreement. The loan matures on July 1, 2045. As of December 31, 2019, the outstanding balance was \$3,681,136. As of December 31, 2019, accrued interest was \$237,699. For the year ended December 31, 2019, interest expense of \$18,406 was charged to operations. Loan forgiveness, including interest, recognized during the year ended December 31, 2019, was \$100,011.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Aggregate annual maturities of the mortgage payable for the ensuing five years and thereafter are as follows:

Year ending December 31,	Principal	Interest	Total
2020	\$ 92,028	\$ 17,946	\$ 109,974
2021	89,728	17,497	107,225
2022	87,484	17,059	104,543
2023	85,297	16,633	101,930
2024	83,165	16,217	99,382
2025 - 2029	385,658	75,203	460,861
2030 - 2034	339,802	66,261	406,063
2035 - 2039	299,398	58,383	357,781
2040 - 2044	263,798	51,305	315,103
2045 - 2046	1,954,778	15,738	1,970,516
	<u>\$ 3,681,136</u>	<u>\$ 352,242</u>	<u>\$ 4,033,378</u>

Houston Housing Authority (HHA)

The Housing Authority entered into an additional debt obligation with a blended component unit, HHA Fountainview PFC, where HHA Fountainview PFC borrowed \$10,000,000 from the Authority for the purchase of the Fountainview property. This note does not bear any interest, penalty or default terms and was not repaid at the maturity date of June 25, 2019. The amount outstanding at December 31, 2019 is \$6,922,155 and has been eliminated for financial statement presentation.

The following is a summary of the primary government long-term debt as of December 31, 2019:

	ESCO loan	Memorial Drive	100 Victory	BB&T	Total
Long-term debt					
Balance beginning of year	\$ 25,122,208	\$ 4,861,167	\$ 3,775,524	\$ 13,072,332	\$ 46,831,231
Principal additions (reductions)	(736,301)	(122,247)	(94,388)	(302,034)	(1,254,970)
Balance end of year	24,385,907	4,738,920	3,681,136	12,770,298	45,576,261
Less: current portion	(816,993)	(129,303)	(92,028)	(317,328)	(1,355,652)
Total long-term	<u>\$ 23,568,914</u>	<u>\$ 4,609,617</u>	<u>\$ 3,589,108</u>	<u>\$ 12,452,970</u>	<u>\$ 44,220,609</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

The following is a summary of the discrete component unit long-term debt as of December 31, 2019:

	Principal	Accrued Interest	Total Payable
<u>APV-Fondren Road Apartments, LP</u>			
Bonds Payable in the original amount of \$14,600,000, bears interest at 6.64% per annum, matures on December 1, 2036	\$ 12,902,720	\$ 73,339	\$ 12,976,059
Total - APV-Fondren Road Apartments, LP	12,902,720	73,339	12,976,059
<u>Houston Heatherbrook, LP</u>			
Note Payable in the original amount of \$1,700,000, bears interest at 6%, matures on January 1, 2044.	1,700,000	1,624,484	3,324,484
Note Payable in the original amount of \$4,600,000, bears interest at 6.61%, matures on December 1, 2023	3,479,402	19,166	3,498,568
Total - Houston Heatherbrook, LP	5,179,402	1,643,650	6,823,052
<u>Lincoln Park Apartments, LP</u>			
Note Payable in the original amount of \$4,098,344, bears interest at 7.3% per annum, matures October 1, 2026.	5,092,131	3,187,974	8,280,105
Advances that bear interest at 5.25% per annum, expected to be repaid upon the partnership's receipt of additional loan funding.	2,266,884	984,250	3,251,134
Total - Lincoln Park Apartments, LP	7,359,015	4,172,224	11,531,239
<u>Oxford Community Apartments, LP</u>			
Note Payable in the original amount of \$8,642,784, bears interest at 6.33% per annum, matures on September 1, 2060.	7,788,498	6,016,188	13,804,686
Total - Oxford Community Apartments, LP	7,788,498	6,016,188	13,804,686

Houston Housing Authority

Notes to Financial Statements December 31, 2019

	Principal	Accrued Interest	Total Payable
<u>Peninsula Apartments, LP</u>			
Note Payable in the original amount of \$1,000,000 that does not bear interest, matures on September 1, 2036.	1,000,000	-	1,000,000
Bonds Payable in the original amount of \$12,400,000, bears interest at 5.45%, matures on September 1, 2036	9,245,000	154,500	9,399,500
Total - Peninsula Apartments, LP	10,245,000	154,500	10,399,500
<u>Mansions at Turkey Creek, LP</u>			
Note Payable in the original amount of \$2,500,000, bears interest at 5% per annum, repayable from the partnership's net cash flow.	2,500,000	732,785	3,232,785
Bonds payable in the original amount of \$15,000,000, bears interest at 6.25% per annum, matures December 1, 2046	8,367,165	57,271	8,424,436
Total - Mansions at Turkey Creek, LP	10,867,165	790,056	11,657,221
<u>Sweetwater Point, LP</u>			
Note payable in the original amount of \$10,000,000, bears interest at 4.25% per annum, matured July 19, 2018.			
During 2018, the note payable was fully reconveyed with proceeds from a new note with Citibank, N.A. in the amount of \$14,330,000, which matures on September 1, 2025. Interest accrues at a floating rate plus a margin of 2.11%; the partnership has entered into an interest rate cap agreement for 3.64%. As of December 31, 2019, the interest rate on the outstanding loan was 4.97%.	14,023,707	-	14,023,707
Total - Sweetwater Point, LP	14,023,707	-	14,023,707
<u>Uvalde Ranch, Ltd.</u>			
Bonds Payable in the original amount of \$13,300,000, bears interest at 6.7% per annum, matures on April 1, 2037	10,499,853	-	10,499,853
Total - Uvalde Ranch, Ltd.	10,499,853	-	10,499,853
<u>VSPFC - Wilcrest Apartments, L.P.</u>			
Note Payable in the original amount of \$750,000, bears interest at prime plus 2% per annum, repayable from the partnership's net cash flow	750,000	499,187	1,249,187
Operating deficit obligation loan payable, bears interest at prime plus 2% per annum, repayable from the partnership's net cash flow	219,983	173,707	393,690
Advances that do not bear interest and are repayable from the partnership's net cash flow.	613,478	-	613,478
Bonds Payable in the original amount of \$14,250,000, bears interest at 6.55% per annum, matures on August 1, 2038	11,344,248	62,403	11,406,651
Total - VSPFC - Wilcrest Apartments, L.P.	12,927,709	735,297	13,663,006

Houston Housing Authority

Notes to Financial Statements December 31, 2019

	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total Payable</u>
<u>Independence Heights Apartments, LP</u>			
Note payable in the original amount of \$12,218,000, does not bear interest, and is repayable from the partnership's net cash flow until maturity on March 1, 2067.	12,218,887	-	12,218,887
Bonds Payable in the original amount of \$18,300,000, bears interest at prime plus 2% per annum, matures upon conversion which is anticipated in 2020.	<u>7,193,885</u>	<u>30,934</u>	<u>7,224,819</u>
	<u>19,412,772</u>	<u>30,934</u>	<u>19,443,706</u>
TOTAL	111,205,841	13,616,188	124,822,029
Less DCU debt issuance costs	<u>(3,085,843)</u>	<u>-</u>	<u>(3,085,843)</u>
TOTAL	<u>\$ 108,119,998</u>	<u>\$ 13,616,188</u>	<u>\$ 121,736,186</u>

The notes payable above are secured by various deeds of trust on the properties owned by the discrete component units. The discrete component units notes payable amounts above are included in the following lines on the accompanying statement of net position:

Current accrued interest payable	\$ 1,070,507
Current portion of long-term debt - capital projects	1,393,280
Long-term accrued interest payable - to Primary Government	12,545,681
Long-term debt - capital projects - net of current portion	73,391,450
Long-term debt - to Primary Government - net of current portion	<u>33,335,268</u>
	<u>\$ 121,736,186</u>

As of December 31, 2019, future debt service for the discrete component unit long-term debt is as follows:

<u>For the Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,393,280	\$ 5,551,219	\$ 6,944,499
2021	1,474,480	5,467,774	7,570,453
2022	1,563,179	5,379,181	7,565,569
2023	4,576,476	5,285,046	10,479,404
2024	8,952,962	5,307,056	14,872,218
2025-2029	15,968,255	20,956,644	39,511,417
2030-2034	9,453,075	17,913,182	29,286,794
2035-2039	26,837,184	12,011,098	40,998,572
2040-2044	11,855,532	5,406,075	17,261,607
2045-2049	7,544,014	3,109,084	10,653,098
2050-2054	-	2,465,060	2,465,060
2055-2059	-	2,465,060	2,465,060
2060-2064	9,371,959	862,771	10,234,730
2065-2069	<u>12,215,445</u>	<u>-</u>	<u>12,218,887</u>
Total	<u>\$ 111,205,841</u>	<u>\$ 92,179,249</u>	<u>\$ 212,527,368</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 13 - Condensed financial statements - Telephone Road and Long Drive

Segment information for two rental housing developments, Telephone Road and Long Drive, is provided for each in accordance with GASB Statement No. 34 as follows:

Condensed Statement of Net Position

	Telephone Road	Long Drive	Total
Assets			
Cash and cash equivalents	\$ 1,673,455	\$ 1,731,226	\$ 3,404,681
Other current assets	46,959	30,210	77,169
Capital assets	305,503	712,968	1,018,471
Other long-term assets	1,013,098	726,199	1,739,297
Total assets	3,039,015	3,200,603	6,239,618
Liabilities			
Current liabilities	155,014	32,194	187,208
Noncurrent liabilities	25,509	40,135	65,644
Total liabilities	180,523	72,329	252,852
Net position			
Net investment in capital assets	331,833	1,284,718	1,616,551
Restricted net position	1,820,425	-	1,820,425
Unrestricted net position	706,234	1,843,556	2,549,790
Total net position	\$ 2,858,492	\$ 3,128,274	\$ 5,986,766

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Telephone Road	Long Drive	Total
Operating revenues			
Rental revenue	\$ 600,467	\$ 265,687	\$ 866,154
HUD operating grants	1,126,234	942,518	2,068,752
Other revenue	5,545	(10,162)	(4,617)
Total operating revenues	1,732,246	1,198,043	2,930,289
Operating expenses			
Administrative	570,270	327,206	897,476
Tenant services	26,196	9,895	36,091
Utilities	259,459	99,197	358,656
Maintenance and operations	291,384	367,351	658,735
Protective services	72,083	50,262	122,345
General	49,561	29,253	78,814
Depreciation	181,008	120,466	301,474
Total operating expenses	1,449,961	1,003,630	2,453,591
Operating income (loss)	282,285	194,413	476,698
Change in net position	282,285	194,413	476,698
Net position, beginning of year	2,576,207	2,933,861	5,510,068
Equity transfers	-	-	-
Net position, end of year	\$ 2,858,492	\$ 3,128,274	\$ 5,986,766

Condensed Statement of Cash Flows

	Telephone Road	Long Drive	Total
Net cash provided (used) by:			
Operating activities	\$ (1,305,471)	\$ (345,087)	\$ (1,650,558)
Capital and related financing activities	17,816	36,289	54,105
Investing activities	815,789	(2,903)	812,886
	(471,866)	(311,701)	(783,567)
Beginning cash and cash equivalent balance	2,145,321	2,042,927	4,188,248
Ending cash and cash equivalent balance	\$ 1,673,455	\$ 1,731,226	\$ 3,404,681

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 14 - Changes in noncurrent liabilities

Noncurrent liabilities for the primary government at December 31, 2019 consist of the following:

	January 1, 2019	Additions	Reductions	Current portion December 31, 2019	Long-term portion December 31, 2019
Total accrued compensated absences	\$ 457,882	\$ 207,923	\$ -	\$ 96,652	\$ 569,153
FSS escrow deposits	821,099	476,137	-	-	1,297,236
Unearned ground lease revenue (see Note 25)	6,005,753	-	(97,478)	90,674	5,817,601
Miscellaneous non-current liabilities	102,567	144,377	-	-	246,944
	<u>\$ 7,387,301</u>	<u>\$ 828,437</u>	<u>\$ (97,478)</u>	<u>\$ 187,326</u>	<u>\$ 7,930,934</u>

Noncurrent liabilities for the discretely presented component units at December 31, 2019 consist of the following:

	January 1, 2019	Additions	Reductions	Current portion December 31, 2019	Long-term portion December 31, 2019
Development fees payable	\$ 12,674,605	\$ -	\$ (4,036,932)	\$ -	\$ 8,637,673
Interest payable - to Primary Government	12,760,887	2,221,571	(2,436,777)	-	12,545,681
Miscellaneous non-current liabilities	4,615,077	1,801,445	(3,299,505)	-	3,117,017
	<u>\$ 30,050,569</u>	<u>\$ 4,023,016</u>	<u>\$ (9,773,214)</u>	<u>\$ -</u>	<u>\$ 24,300,371</u>

Note 15 - Restricted net position

The restricted net position of the primary government consists of the following three components:

Project restricted cash	\$ 19,152
Section 8 new construction security deposits	5,302
Scattered sites proceeds	<u>6,786,009</u>
Total restricted net position	<u>\$ 6,810,463</u>

The restricted net position of the discretely presented component units consists of the following component:

Restricted cash and investments	<u>\$ 8,355,120</u>
---------------------------------	---------------------

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 16 - Annual contributions by federal agencies

Contributions by federal agencies for the year ended December 31, 2019 were as follows:

HUD Contributions

Housing Choice Vouchers	\$ 164,137,071
Section 8 Cluster Programs	4,714,682
Capital Fund	851,882
Public Housing Operating Subsidy	16,421,766
Continuum of care	376,631
Other HUD Programs	4,138,468
Total HUD contributions	<u>191,584,387</u>

Department of Homeland Security Contributions

1,947,676

Total Federal Contributions

\$ 193,532,063

Housing assistance payments under Housing Assistance Payment (HAP) Contract:

<u>Contract #</u>	<u>Property</u>	<u>HAP Amount</u>
TX160004014	Telephone Road	\$ 1,148,997
TX240008008	Long Drive	919,755
		<u>\$ 2,068,752</u>

Note 17 - Defined contribution pension plan

The Houston Housing Authority Money Market Accumulation Pension Plan is a defined contributions plan covering all regular full-time employees who have performed one hour of service. Additionally, the Plan is a "governmental plan" as defined in Section 3 (32) of the Employee Retirement Income Security Act of 1974 as amended, and is generally exempt from the provisions of ERISA. The Plan is also an individual account plan and for that reason is exempt from the provisions of Title IV of ERISA which concern plan termination insurance. Fiserv serves as the depositor of the plan funds.

Contributions

Each employee is required to contribute 2% of eligible salary post-tax to the Plan and may contribute up to 10%, with the Authority contributing the pre-tax contribution of 8.5%.

Participant accounts

Each participant account is credited with the participant's contributions and the Authority's contribution.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Investment options

Upon enrollment in the Plan, a participant may direct contributions to any investment options offered by the following mutual fund companies:

- Fidelity
- Vanguard
- Federated Capital
- Am Cents
- American Funds
- Royce
- Dodge & Cox
- Fiserv Trust Institutional Money Market

Vesting

Participants fully vest immediately in the employee post-tax contribution plus actual earnings. Vesting in the Authority's matching contribution is based upon five years of continuous service at 20% per year. A participant is 100% vested after five years of continuous service.

Forfeitures

Non-vested portions of terminated or withdrawing participant's accounts are used to reduce the Authority's cost of maintaining the Plan and other Plan related expenses.

Payment of benefits

Upon termination of service, a participant may elect to receive either a lump sum amount equal to the value of his or her account, or annual installments over a specified period of time.

Absorption of cost by plan sponsor

The Plan Sponsor has elected to absorb cost of the audit, tax preparation, and compliance testing of the Plan.

Plan provisions are established and modified by action of the Plan Committee.

Fiscal year 2019 contributions

The Authority's total payroll for the years ended December 31, 2019, 2018, and 2017 were \$9,174,439; \$9,802,463; and \$9,539,956; respectively. The Authority's contributions were calculated using eligible payroll in the same amount. The Authority made the required contributions in the amount of \$778,426; \$848,431; and \$858,596; in each of those years. Employees made contributions of \$587,027; \$430,290; and \$416,004.

Note 18 - Compensated absences payable

It is the Authority's policy to allow 320 hours of an employee's earned leave to be carried forward from year to year unless additional carryover is approved by the President and CEO. The cost of current leave privileges computed in accordance with GASB Statement No. 16, *Compensated Absences*, is recognized as current year expense in the period in which it is earned in accordance with generally accepted accounting principles.

At December 31, 2019, total leave to be paid upon termination is \$665,805.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 19 - Economic dependency

The Authority receives approximately 76% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operating reserves could be adversely affected.

Note 20 - Commitments and contingencies

The Authority is a party to several legal actions arising in the ordinary course of business. These actions are in various stages of the litigation process, and their ultimate outcome cannot be determined currently. Accordingly, they have not been reflected in the accompanying financial statements as liabilities. In the opinion of the Authority's administration, the Authority's potential liability in these matters will not have a material adverse impact on the financial statements.

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing grants given to the Authority in the current and prior years.

Note 21 - Conduit type debt

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Authority.

HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 22 - Condensed business activity financial statements

The Authority includes eighteen business activity entities in its reporting entity. Condensed business activity financial statements as of, and for the year ended, December 31, 2019 is as follows:

Condensed Business Activities - Statement of Net Position December 31, 2019

	301-HOUTEX	312 - Harvey Housing Fund	316-MyGoals Program	317 - Harris	318 - HCCSD	350-Houston Housing Resources Inc	595-V.J. Memorial	960-URD Grant
Assets								
Current assets								
Total cash	\$ -	\$ 11	\$ 59,254	\$ -	\$ 74,515	\$ 117,205	\$ -	\$ -
Total receivables, net	-	-	-	-	-	-	-	-
Inter-program receivable	-	(681)	(1,053,278)	-	(1,249,888)	-	(10,250)	(7,906)
Prepaid expenses and other assets	-	-	-	-	-	-	-	-
Total current assets	-	(670)	(994,024)	-	(1,175,373)	117,205	(10,250)	(7,906)
Non-current assets								
Capital assets								
Land	77,000	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-
Furniture, fixtures, and equipment	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-
Total capital assets, net	77,000	-	-	-	-	-	-	-
Notes, loans, and mortgage receivable	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total non-current assets	77,000	-	-	-	-	-	-	-
Total assets	\$ 77,000	\$ (670)	\$ (994,024)	\$ -	\$ (1,175,373)	\$ 117,205	\$ (10,250)	\$ (7,906)
Liabilities								
Current liabilities								
Accounts payable	\$ -	\$ -	\$ 990	\$ -	\$ 267	\$ 12,577	\$ 1,750	\$ -
Accrued compensated absences	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	-
Tenant security deposits	-	-	-	-	-	-	-	-
Inter-program payable	-	-	-	-	-	81,553	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-
Accrued liabilities - other	-	-	-	-	-	-	-	-
Total current liabilities	-	-	990	-	267	94,130	1,750	-
Non-current liabilities								
Long-term debt, net of current maturities	-	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-
Non-current liabilities - other	-	-	-	-	-	5,000	-	-
Total non-current liabilities	-	-	-	-	-	5,000	-	-
Total liabilities	-	-	990	-	267	99,130	1,750	-
Total equity / net assets	77,000	(670)	(995,014)	-	(1,175,640)	18,075	(12,000)	(7,906)
Total Liabilities and equity / net assets	\$ 77,000	\$ (670)	\$ (994,024)	\$ -	\$ (1,175,373)	\$ 117,205	\$ (10,250)	\$ (7,906)

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Business Activities - Statement of Net Position (Continued) December 31, 2019

	966-APV Redevelopment	966-Business Activity	970-Victory Redevelopment	972-VSPFC	975-Fulton Village Redevelopment Corporation	980-HHA Fountainview PFC	APV Historic	Fulton	Memorial	Victory	Total
Assets											
Current assets											
Total cash	\$ 7,416,759	\$ (500,000)	\$ 776,268	\$ 3,808	\$ 2,266	\$ 761,518	\$ 460,828	\$ 221,244	\$ 312,884	\$ 622,140	\$ 10,328,700
Total receivables, net	1,295,312	(8,822)	-	-	-	(139,038)	3,413	2,567	58,587	3,146	1,215,165
Inter-program receivable	4,143,908	-	(6,850)	74,905	(5,030)	3,372,053	-	-	-	-	5,256,983
Prepaid expenses and other assets	1,885,500	100	-	-	-	-	26,364	15,198	149,607	15,653	2,092,622
Total current assets	<u>14,741,479</u>	<u>(508,722)</u>	<u>769,418</u>	<u>78,713</u>	<u>(2,764)</u>	<u>3,994,533</u>	<u>490,805</u>	<u>239,009</u>	<u>521,078</u>	<u>640,939</u>	<u>18,893,470</u>
Non-current assets											
Capital assets											
Land	5,483,449	9,867,807	-	-	-	6,476,000	-	-	874,994	382,904	23,162,154
Building	-	-	-	-	-	1,304,000	21,848,454	6,955,869	4,571,310	6,870,826	41,550,459
Furniture, fixtures, and equipment	-	-	-	-	-	-	536,324	596,079	31,818	482,943	1,647,164
Leasehold improvements	-	-	-	-	-	-	4,032,650	918,719	-	801,108	5,752,477
Accumulated depreciation	-	-	-	-	-	(179,300)	(18,916,961)	(4,294,078)	(505,443)	(5,686,492)	(29,582,274)
Construction in progress	3,248,070	-	-	-	-	-	-	3,000	-	-	3,251,070
Total capital assets, net	<u>8,731,519</u>	<u>9,867,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,600,700</u>	<u>7,500,467</u>	<u>4,179,589</u>	<u>4,972,679</u>	<u>2,851,289</u>	<u>45,781,050</u>
Notes, loans, and mortgage receivable	16,658,266	31,725,009	-	42,488,536	-	74,262	-	-	-	-	90,946,073
Other assets	4,719,446	(981,220)	-	360,000	-	10,306,029	-	299,800	34,045	-	14,738,100
Total non-current assets	<u>30,109,231</u>	<u>40,611,596</u>	<u>-</u>	<u>42,848,536</u>	<u>-</u>	<u>17,980,991</u>	<u>7,500,467</u>	<u>4,479,389</u>	<u>5,006,724</u>	<u>2,851,289</u>	<u>151,465,223</u>
Total assets	<u>\$ 44,850,710</u>	<u>\$ 40,102,874</u>	<u>\$ 769,418</u>	<u>\$ 42,927,249</u>	<u>\$ (2,764)</u>	<u>\$ 21,975,524</u>	<u>\$ 7,991,272</u>	<u>\$ 4,718,398</u>	<u>\$ 5,527,802</u>	<u>\$ 3,492,228</u>	<u>\$ 170,358,693</u>
Liabilities											
Current liabilities											
Accounts payable	\$ 53,576	\$ (9,600)	\$ 1,750	\$ -	\$ 515	\$ 129,191	\$ 55,954	\$ 12,000	\$ 39,269	\$ 3,018	\$ 301,257
Accrued compensated absences	-	12,902	-	-	-	-	-	-	-	-	12,902
Accrued interest payable	-	-	-	-	-	-	-	-	257,626	348,456	606,082
Tenant security deposits	-	-	-	-	-	678	53,757	34,443	-	29,349	118,227
Inter-program payable	-	5,653,372	-	-	-	(375,926)	3,653,338	792,363	-	882,097	10,686,797
Deferred revenue	500,000	90,675	-	-	-	-	5,256	83,437	1,042,684	-	1,722,052
Current portion of long-term debt	-	-	-	-	-	-	-	317,328	129,303	92,028	538,659
Other current liabilities	-	200	-	-	-	-	3,809	4,334	-	-	8,343
Accrued liabilities - other	-	2,971	-	-	-	(58,215)	5,624	6,565	85,634	197,831	240,410
Total current liabilities	<u>553,576</u>	<u>5,750,520</u>	<u>1,750</u>	<u>-</u>	<u>515</u>	<u>(304,272)</u>	<u>3,777,738</u>	<u>1,250,470</u>	<u>1,554,516</u>	<u>1,552,779</u>	<u>14,234,729</u>
Non-current liabilities											
Long-term debt, net of current maturities	-	-	-	-	-	19,692,452	18,562,490	6,848,121	15,188,690	5,314,310	65,606,063
Accrued compensated absences	-	51,609	-	-	-	-	-	-	-	-	51,609
Non-current liabilities - other	(80,058)	6,266,497	-	-	-	90,744	-	65,259	-	-	6,347,442
Total non-current liabilities	<u>(80,058)</u>	<u>6,318,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,783,196</u>	<u>18,562,490</u>	<u>6,913,380</u>	<u>15,188,690</u>	<u>5,314,310</u>	<u>72,005,114</u>
Total liabilities	<u>473,518</u>	<u>12,068,626</u>	<u>1,750</u>	<u>-</u>	<u>515</u>	<u>19,478,924</u>	<u>22,340,228</u>	<u>8,163,850</u>	<u>16,743,206</u>	<u>6,867,089</u>	<u>86,239,843</u>
Total equity / net assets	<u>44,377,192</u>	<u>28,034,248</u>	<u>767,668</u>	<u>42,927,249</u>	<u>(3,279)</u>	<u>2,496,600</u>	<u>(14,348,956)</u>	<u>(3,445,452)</u>	<u>(11,215,404)</u>	<u>(3,374,861)</u>	<u>84,118,850</u>
Total Liabilities and equity / net assets	<u>\$ 44,850,710</u>	<u>\$ 40,102,874</u>	<u>\$ 769,418</u>	<u>\$ 42,927,249</u>	<u>\$ (2,764)</u>	<u>\$ 21,975,524</u>	<u>\$ 7,991,272</u>	<u>\$ 4,718,398</u>	<u>\$ 5,527,802</u>	<u>\$ 3,492,228</u>	<u>\$ 170,358,693</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Business Activities - Statement of Revenues, Expenses and Changes in Net Position Year Ended December 31, 2019

	301-HOUTEX	312 - Harvey Housing Fund	316-MyGoals Program	317 - Harris	318 - HCCSD	350-Houston Housing Resources Inc	595-V.J. Memorial
Revenues							
Tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,480	\$ -
Other government grants	-	259,265	390,939	-	2,647,494	-	-
Other revenue	-	-	-	-	-	-	-
Mortgage interest income	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Total revenue	-	259,265	390,939	-	2,647,494	36,480	-
Expenses							
Operating - administrative	-	8,869	590,385	-	479,644	3,812	1,750
Tenant services	-	-	221,875	-	-	32,388	-
Utilities	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-
Insurance premiums	-	-	2,529	-	2,102	-	-
Other general	-	-	-	-	-	-	-
Interest and amortization	-	-	-	-	-	-	-
Housing assistance payments	-	88,686	-	-	2,719,139	-	-
Extraordinary Maintenance	-	-	-	-	-	-	-
Casualty losses, not capitalized	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total expenses	-	97,555	814,789	-	3,200,885	36,200	1,750
Other Financing Sources (Uses)							
Equity transfers	-	-	-	184,871	-	-	-
Total other financing sources (uses)	-	-	-	184,871	-	-	-
Excess (deficiency) of total revenue over (under) total expenses	\$ -	\$ 161,710	\$ (423,850)	\$ 184,871	\$ (553,391)	\$ 280	\$ (1,750)

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Business Activities - Statement of Revenues, Expenses and Changes in Net Position (Continued) Year Ended December 31, 2019

	960-URD Grant	965-APV Redevelopment	966-Business Activity	970-Victory Redevelopment	972-VSPFC	975-Fulton Village Redevelopment Corporation
Revenues						
Tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other government grants	-	943,887	-	-	-	-
Other revenue	-	774,122	90,744	-	36,600	-
Mortgage interest income	-	421,363	400,090	-	1,178,878	-
Investment income	-	242,551	-	1,553	9	-
Total revenue	<u>-</u>	<u>2,381,923</u>	<u>490,834</u>	<u>1,553</u>	<u>1,215,487</u>	<u>-</u>
Expenses						
Operating - administrative	3,700	29,353	2,092,058	4,282	1,135	514
Tenant services	-	-	-	-	-	-
Utilities	-	1,489	-	-	-	-
Maintenance	-	-	-	-	-	-
Protective services	-	-	26,151	-	-	-
Insurance premiums	-	437,148	-	-	-	-
Other general	-	-	-	-	-	-
Interest and amortization	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-
Extraordinary Maintenance	-	-	-	-	-	-
Casualty losses, not capitalized	-	-	-	-	-	-
Depreciation	<u>3,700</u>	<u>467,990</u>	<u>2,118,209</u>	<u>4,282</u>	<u>1,135</u>	<u>514</u>
Total expenses	<u>-</u>	<u>1,457,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)	<u>-</u>	<u>1,457,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity transfers	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$ (3,700)</u>	<u>\$ 3,371,049</u>	<u>\$ (1,627,375)</u>	<u>\$ (2,729)</u>	<u>\$ 1,214,352</u>	<u>\$ (514)</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Business Activities - Statement of Revenues, Expenses and Changes in Net Position (Continued) Year Ended December 31, 2019

	980-HHA Fountainview PFC	APV Historic	Fulton	Memorial	Victory	Total
Revenues						
Tenant revenue	\$ 1,734,340	\$ 707,356	\$ 395,787	\$ 1,043,828	\$ 283,095	\$ 4,200,886
Other government grants	-	-	2,500	-	-	4,244,085
Other revenue	65,666	760,177	310,342	246	429,431	2,467,328
Mortgage interest income	-	-	-	-	-	2,000,331
Investment income	-	-	-	-	588	244,701
Total revenue	<u>1,800,006</u>	<u>1,467,533</u>	<u>708,629</u>	<u>1,044,074</u>	<u>713,114</u>	<u>13,157,331</u>
Expenses						
Operating - administrative	97,423	561,668	405,688	494,801	168,380	4,943,462
Tenant services	489	2,677	41,852	26	17,144	316,451
Utilities	104,133	226,101	74,803	56,292	79,021	540,350
Maintenance	242,910	790,514	247,036	152,471	329,677	1,764,097
Protective services	43,393	110,529	53,771	-	57,685	265,378
Insurance premiums	46,993	152,792	63,310	159,182	62,656	515,715
Other general	68,396	8,663	8,024	86,784	11,316	620,331
Interest and amortization	643,959	193,342	1,758	514,259	24,921	1,378,239
Housing assistance payments	-	-	-	-	-	2,807,825
Extraordinary Maintenance	-	-	-	-	9,000	9,000
Casualty losses, not capitalized	-	-	(6,700)	-	-	(6,700)
Depreciation	<u>32,605</u>	<u>794,489</u>	<u>181,720</u>	<u>236,817</u>	<u>249,848</u>	<u>1,495,479</u>
Total expenses	<u>1,280,301</u>	<u>2,840,775</u>	<u>1,071,262</u>	<u>1,700,632</u>	<u>1,009,648</u>	<u>14,649,627</u>
Other Financing Sources (Uses)	-	-	-	-	-	1,641,987
Equity transfers	-	-	-	-	-	1,641,987
Total other financing sources (uses)	<u>\$ 519,705</u>	<u>\$ (1,373,242)</u>	<u>\$ (362,633)</u>	<u>\$ (656,558)</u>	<u>\$ (296,534)</u>	<u>\$ 149,691</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 23 - Condensed discrete component units financial statements

The Authority includes ten discretely presented component units in its reporting entity. Condensed component unit financial statements as of, and for the year ended, December 31, 2019 is as follows:

Condensed Discrete Component Units - Statement of Net Position December 31, 2019

	Wilcrest Apartments	APV Fondren Road Apartments	Uvalde Ranch	Sweetwater Point	Peninsula Apartments	Mansions at Turkey Creek	Houston Heatherbrook
Assets							
Current assets							
Total cash	\$ 928,127	\$ 1,279,398	\$ 1,106,716	\$ 2,025,652	\$ 1,229,173	\$ 1,088,172	\$ 843,430
Total receivables, net	30	3,017	3,062	49,881	4,922	42,247	1,938
Prepaid expenses and other assets	17,251	130,915	31,006	236,509	-	79,915	29,392
Total current assets	945,408	1,413,330	1,140,784	2,312,042	1,234,095	1,210,334	874,760
Non-current assets							
Capital assets							
Land	-	-	-	-	537,545	-	-
Building	13,263,945	15,357,224	14,999,546	14,511,593	17,026,887	19,871,079	11,162,342
Furniture, fixtures, and equipment	1,596,613	485,208	1,388,851	695,106	1,665,375	1,808,761	500,985
Leasehold improvements	3,088,473	2,172,168	684,648	1,707,700	467,414	1,448,514	1,508,521
Accumulated depreciation	(10,674,203)	(10,777,982)	(6,174,610)	(7,419,835)	(8,641,679)	(7,653,760)	(5,920,788)
Total capital assets, net	7,274,828	7,236,618	10,898,435	9,494,564	11,055,542	15,474,594	7,251,060
Other assets	1,050,316	741,866	112,536	1,171,353	6,200	1,405,893	701,342
Total non-current assets	8,325,144	7,978,484	11,010,971	10,665,917	11,061,742	16,880,487	7,952,402
Total assets	\$ 9,270,552	\$ 9,391,814	\$ 12,151,755	\$ 12,977,959	\$ 12,295,837	\$ 18,090,821	\$ 8,827,162
Liabilities							
Current liabilities							
Accounts payable	\$ 4,222	\$ 45,497	\$ 17,875	\$ 9,639	\$ 9,187	\$ 142,036	\$ 12,649
Accrued interest payable	701,446	73,339	-	-	154,500	57,271	19,166
Tenant security deposits	92,631	93,327	97,205	67,907	83,638	80,385	63,074
Deferred revenue	6,008	4,183	-	-	7,118	-	65,771
Current portion of long-term debt	140,004	192,285	139,388	246,263	335,000	137,139	127,407
Other current liabilities	22,182	8,790	184,621	379,001	16,250	1,458,484	1,802,523
Total current liabilities	966,493	417,421	439,089	702,810	605,693	1,875,315	2,090,590
Non-current liabilities							
Long-term debt, net of current maturities	12,427,964	12,301,471	10,011,110	13,468,453	9,626,855	12,384,173	5,018,651
Non-current liabilities - other	2,400,000	346,000	1,119,384	885,907	19,500	3,897,507	1,624,484
Total non-current liabilities	14,827,964	12,647,471	11,130,494	14,354,360	9,646,355	16,281,680	6,643,135
Total liabilities	15,794,457	13,064,892	11,569,583	15,057,170	10,252,048	18,156,995	8,733,725
Total equity / net assets	(6,523,905)	(3,673,078)	582,172	(2,079,211)	2,043,789	(66,174)	93,437
Total Liabilities and equity / net assets	\$ 9,270,552	\$ 9,391,814	\$ 12,151,755	\$ 12,977,959	\$ 12,295,837	\$ 18,090,821	\$ 8,827,162

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Discrete Component Units - Statement of Net Position (Continued) December 31, 2019

	Oxford Community Apartments	Lincoln Park Apartments	Independence Heights Apartments	Total
Assets				
Current assets				
Total cash	\$ 1,245,553	\$ 1,236,880	\$ 1,358,676	\$ 12,341,777
Total receivables, net	9,218	34,209	57,642	206,166
Prepaid expenses and other assets	37,330	41,350	43,696	647,364
Total current assets	1,292,101	1,312,439	1,460,014	13,195,307
Non-current assets				
Capital assets				
Land	-	645,000	-	1,182,545
Building	16,594,397	16,500,619	27,979,151	167,266,783
Furniture, fixtures, and equipment	1,112,993	670,343	910,476	10,834,711
Leasehold improvements	1,469,371	1,314,889	2,068,360	15,930,058
Accumulated depreciation	(7,535,714)	(6,379,906)	(1,449,322)	(72,627,799)
Total capital assets, net	11,641,047	12,750,945	29,508,665	122,586,298
Other assets	119,821	4,857	48,882	5,363,066
Total non-current assets	11,760,868	12,755,802	29,557,547	127,949,364
Total assets	\$ 13,052,969	\$ 14,068,241	\$ 31,017,561	\$ 141,144,671
Liabilities				
Current liabilities				
Accounts payable	\$ 147,708	\$ 11,692	\$ 11,185	\$ 411,690
Accrued interest payable	-	-	64,785	1,070,507
Tenant security deposits	58,579	59,600	35,928	732,274
Deferred revenue	-	-	-	83,080
Current portion of long-term debt	-	-	75,794	1,393,280
Other current liabilities	18,996	60,160	165,337	4,116,344
Total current liabilities	225,283	131,452	353,029	7,807,175
Non-current liabilities				
Long-term debt, net of current maturities	7,781,587	4,915,105	18,791,349	106,726,718
Non-current liabilities - other	6,347,992	6,439,108	1,220,489	24,300,371
Total non-current liabilities	14,129,579	11,354,213	20,011,838	131,027,089
Total liabilities	14,354,862	11,485,665	20,364,867	138,834,264
Total equity / net assets	(1,301,893)	2,582,576	10,652,694	2,310,407
Total Liabilities and equity / net assets	\$ 13,052,969	\$ 14,068,241	\$ 31,017,561	\$ 141,144,671

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Discrete Component Units - Statement of Revenues, Expenses and Changes in Net Position Year Ended December 31, 2019

	Wilcrest Apartments	APV Fondren Road Apartments	Uvalde Ranch	Sweetwater Point	Peninsula Apartments	Mansions at Turkey Creek	Houston Heatherbrook
Revenues							
Tenant revenue	\$ 2,401,803	\$ 2,555,673	\$ 2,430,301	\$ 2,274,765	\$ 2,529,738	\$ 2,389,952	\$ 1,369,653
Other revenue	-	-	-	-	-	-	310,000
Investment income	2,545	794	5,899	-	321	-	-
Total revenue	<u>2,404,348</u>	<u>2,556,467</u>	<u>2,436,200</u>	<u>2,274,765</u>	<u>2,530,059</u>	<u>2,389,952</u>	<u>1,679,653</u>
Expenses							
Operating - administrative	414,611	407,864	332,667	389,307	538,693	622,872	238,265
Tenant services	27,204	30,836	27,192	57,502	28,728	-	31,554
Utilities	196,785	279,994	199,342	204,862	211,757	242,212	116,456
Maintenance	560,321	567,906	473,202	413,069	259,154	438,429	539,486
Protective services	-	-	12,620	-	56,407	-	87,627
Insurance premiums	172,881	188,794	108,779	264,495	130,123	231,598	118,546
Other general	25,368	42,759	(35,885)	-	149,969	176,387	113,409
Interest and amortization	839,246	893,813	741,058	627,404	534,464	990,246	347,877
Depreciation	686,491	651,256	442,626	-	463,428	639,431	354,486
Total expenses	<u>2,922,907</u>	<u>3,063,222</u>	<u>2,301,601</u>	<u>1,956,639</u>	<u>2,372,723</u>	<u>3,341,175</u>	<u>1,947,706</u>
Excess (deficiency) of total revenue over (under) total expenses	<u>\$ (518,559)</u>	<u>\$ (506,755)</u>	<u>\$ 134,599</u>	<u>\$ 318,126</u>	<u>\$ 157,336</u>	<u>\$ (951,223)</u>	<u>\$ (268,053)</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Condensed Discrete Component Units - Statement of Revenues, Expenses and Changes in Net Position (Continued) Year Ended December 31, 2019

	Oxford Community Apartments	Lincoln Park Apartments	Independence Heights Apartments	Total
Revenues				
Tenant revenue	\$ 631,248	\$ 834,984	\$ 1,549,080	\$ 18,967,197
Other revenue	444,044	804,851	9,975,042	11,533,937
Investment income	-	-	17,276	26,835
Total revenue	<u>1,075,292</u>	<u>1,639,835</u>	<u>11,541,398</u>	<u>30,527,969</u>
Expenses				
Operating - administrative	350,313	450,006	942,072	4,686,670
Tenant services	34,066	38,184	11,687	286,953
Utilities	165,204	169,401	158,648	1,944,661
Maintenance	826,584	751,578	215,944	5,045,673
Protective services	146,623	124,469	171,051	598,797
Insurance premiums	110,312	214,681	128,925	1,669,134
Other general	37,396	17,759	-	527,162
Interest and amortization	496,778	295,238	610,853	6,376,977
Depreciation	496,506	485,425	1,415,872	5,635,521
Total expenses	<u>2,663,782</u>	<u>2,546,741</u>	<u>3,655,052</u>	<u>26,771,548</u>
Excess (deficiency) of total revenue over (under) total expenses	<u>\$ (1,588,490)</u>	<u>\$ (906,906)</u>	<u>\$ 7,886,346</u>	<u>\$ 3,756,421</u>

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 24 - Operating leases

The Authority is committed under various non-cancelable leases for office space and equipment. These leases have been accounted for as operating leases in the accompanying financial statements. The Authority has entered into an office lease with a related party. The terms of the lease were extended on August 3, 2016. Monthly rental payments in the amount of \$147,170 are to be made by the Authority commencing on the extension date and continuing for a 25-year term with an option to extend for two additional 5-year terms.

Future minimum lease payments required under these leases are as follows:

Year ending December 31, 2020	\$	1,766,040
2021		1,766,040
2022		1,766,040
2023		1,766,040
2024		1,766,040
Thereafter		<u>30,022,680</u>
	\$	<u><u>38,852,880</u></u>

Rental expense for the year ended December 31, 2019 was \$901,850. The Authority has eliminated the inter-company revenue and expense in the financial statements.

Note 25 - Leasing activities (as lessor)

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue." Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

Houston Housing Authority

Notes to Financial Statements

December 31, 2019

The Authority is lessor in eight ground leases as follows:

Lessee:	<u>APV-Fondren Road Apartments, L.P.</u>	<u>Houston Heatherbrook, L.P.</u>	<u>VSPFC - Wilcrest Apartments, L.P.</u>	<u>Uvalde Ranch, Ltd.</u>	<u>100 Victory, L.P.</u>	<u>Mansions at Turkey Creek, LP</u>	<u>Sweetwater Point Limited Partnership</u>
Duration:	75 Years	65 Years	75 Years	75 Years	55 years	75 years	75 years
Effective Date:	October 1, 2003	December 16, 2003	December 21, 2004	October 7, 2004	August 1, 2000	October 1, 2012	July 19, 2013
Year 1:	\$1,060,967	\$932,254	\$1,310,000	\$727,132	\$587,735	\$1,904,000	\$1,960,200
Years 1-10:	\$106,100 per year, payable at initiation of lease for a total of \$1,060,967	NA	\$131,000 per year, payable at initiation of lease, for a total of \$1,310,000	\$72,713 per year, payable at initiation of lease, for a total of \$727,132	NA	N/A	N/A
Years 2- 55:	NA	NA	NA	NA	\$100 per year, with anticipated forgiveness	N/A	N/A
Years 2-65:	NA	\$100 per year, with anticipated forgiveness	NA	NA	NA	N/A	N/A
Years 11-75:	\$106,100 per year, with anticipated forgiveness	NA	NA	NA	NA	N/A	N/A
Years 18-75:	NA	NA	NA	NA	NA	N/A	N/A
Annual Revenue Recognition:	Anticipated revenue divided by duration	Anticipated revenue divided by duration	Anticipated revenue divided by duration	Anticipated revenue divided by duration	Anticipated revenue divided by duration	Anticipated revenue divided by duration	Anticipated revenue divided by duration

Houston Housing Authority

Notes to Financial Statements December 31, 2019

Note 26 - Inter-Program balances

The following amounts from the Financial Data Schedule have been eliminated in preparing the basic financial statements:

Due from and due to accounts totaling \$14,505,680.

Intercompany revenues and expenses totaling \$8,020,170.

Intercompany loans totaling \$45,065,124.

Inter-company ground leases totaling \$382,904

Note 27 - Commitments and contingencies

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

Note 28 - Subsequent events

Events that occur after the date of the statement of net position 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 date of the statement of net position are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the date of the statement of net position, require disclosure in the accompanying notes. Management evaluated the activity of the Houston Housing Authority through September 14, 2022 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements, except as discussed below.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Authority's financial position, results of operations, and cash flows. The Authority is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Authority's operations continue for an extended period of time, the Authority may have to seek alternative measures to finance its operations. The Authority has received substantial COVID-19 funding from the federal government to help mitigate the financial risks since the fiscal year ended December 31, 2019.

The Houston Housing Authority has continued to pursue ways to strengthen its real estate portfolio. Certain transactions have closed and are anticipated to close as discussed below.

The Telephone Road property, 200 Elderly units under an existing Project Based Rental Assistance Program was transferred into a new Partnership, APV Telephone Road Elderly, LP in April 2020. This new partnership will utilize funding available from a Construction Loan with Bank of America as

Houston Housing Authority

Notes to Financial Statements December 31, 2019

well as Tax Credit funding to completely renovate all 200 of the units as well as the common area and exterior of the property.

Renovation work commences shortly after closing with an initial renovation period of approximately 18 months. There have been some unforeseen issues encountered during the renovation including some environmental issues along with COVID related delays including supply availability of certain materials. The project is now anticipated to be completed in early 2023.

Allen Parkway Village, a 278 unit public housing property and Historic Oaks of Allen Parkway Village, a 222 unit public housing property were both selected by the Housing Authority to undergo extensive renovation as part of two separate conversions of the properties via the RAD process. Both of these RAD conversions anticipate utilizing Bank Financing and Tax Credit Financing to facilitate the renovation process. The closing date for both of these transactions occurred in August 2022. The renovation process will be completed in phases with ultimate completion anticipated in 30 months. Both renovations are planned to proceed in phases so substantial operations will be ongoing throughout the renovation period.

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
Houston Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Houston Housing Authority (the Authority), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 14, 2022. Our report includes a reference to other auditors who audited the financial statements of certain of the Authority's discretely presented component units, as described in our report on the Authority's financial statements. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the discretely presented component units or that are reported on separately by the other auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be material weakness, and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

Report on Compliance and Other Matters

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

Houston Housing Authority's Response to Finding

Houston Housing Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Houston Housing Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Charlotte, North Carolina
September 14, 2022

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
Houston Housing Authority

Report on Compliance for Each Major Federal Program

We have audited Houston Housing Authority'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 Houston Housing Authority's major federal programs for the year ended December 31, 2019. The Houston Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the 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 Houston Housing Authority'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 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 types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Houston Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Houston Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the Houston Housing Authority 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 Houston Housing Authority'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 Houston Housing Authority's internal control over compliance.

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

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

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



Charlotte, North Carolina
September 14, 2022

Houston Housing Authority

Schedule of Findings and Questioned Costs Year Ended December 31, 2019

Summary of Auditor's Results

I. Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified

 X Yes No

Significant deficiency(ies) identified

 Yes X None reported

Noncompliance material to financial statements noted

 Yes X No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified

 Yes X No

Significant deficiency(ies) identified

 Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)

 Yes X No

Identification of major federal programs:

- Public and Indian Housing (CFDA No. 14.850)
- Section 8 Project-Based Cluster
 - Section 8 Moderate Rehabilitation Single Room Occupancy (CFDA No. 14.249)
 - Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation (CFDA No. 14.856)
- Housing Voucher Cluster
 - Housing Choice Vouchers (CFDA No. 14.871)
 - Mainstream Vouchers (CFDA No. 14.879)

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

\$3,000,000

Auditee qualified as low-risk auditee

 Yes X No

Houston Housing Authority
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

II. Findings - Financial Statement Audit

Finding 2019-001

Statement of Condition

The accounting records required numerous material adjustments to be proposed and recorded in order for the financial statements to be fairly presented in accordance with accounting principles generally accepted in the United States of America.

Criteria

Internal controls over financial reporting should exist and ensure that material misstatements are detected and corrected by the Authority in a timely manner.

Cause

The Authority was not able to provide timely, complete and reconciled financial statements between the Primary Government and the component units.

Effect or Potential Effect

The Authority may produce financial statements that are materially misstated.

Recommendation

The Authority should undertake a review of internal controls over financial reporting and ensure that financial data is properly recorded in the books and records to prevent misstatements from occurring in the future.

Auditor Noncompliance Code

S - Internal control deficiencies

Reporting Views of Responsible Officials

The Authority concurs with the finding and agrees with the recommendation. The Authority has begun the process of reviewing internal controls over financial reporting to ensure that all financial data is properly recorded in the books and records on a timely basis. Management has already begun its review and will implement the appropriate internal controls.

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

None reported.

Supplementary Information

Houston Housing Authority

Financial Data Schedule – Statement of Net Position Accounts

PHA Financial Data December 31, 2019

Line Item No.	Description	Central Office Cost					
		Project Totals	Program Totals	Center	Subtotal	Elimination	Total
111	Cash - unrestricted	\$ 2,950,045	\$ 16,351,785	\$ 4,812,264	\$ 24,114,094	\$ -	\$ 24,114,094
112	Cash - restricted-modernization and development	188,481	-	-	188,481	-	188,481
113	Cash - other restricted	6,786,033	9,868,162	-	16,654,195	-	16,654,195
114	Cash - tenant security deposits	556,054	941,443	-	1,497,497	-	1,497,497
115	Cash - restricted for payment of current liability	-	1,434,757	-	1,434,757	-	1,434,757
100	Total Cash	10,480,613	28,596,147	4,812,264	43,889,024	-	43,889,024
121	Accounts receivable - PHA projects	-	304	-	304	-	304
122	Accounts receivable - HUD other projects	63,083	1,017,408	-	1,080,491	-	1,080,491
125	Account receivable - miscellaneous	824,464	1,208,282	-	2,032,746	-	2,032,746
126	Accounts receivable - tenants	102,603	232,621	-	335,224	-	335,224
126.1	Allowance for doubtful accounts - tenants	(23,374)	(194)	-	(23,568)	-	(23,568)
120	Total receivables, net of allowance for doubtful accounts	966,776	2,458,421	-	3,425,197	-	3,425,197
131	Investments - unrestricted	536,942	-	-	536,942	-	536,942
142	Prepaid expenses and other assets	43,505	2,739,986	276,413	3,059,904	-	3,059,904
144	Inter program - due from	3,015,979	6,573,403	4,916,298	14,505,680	14,505,680	-
150	Total Current Assets	15,043,815	40,367,957	10,004,975	65,416,747	14,505,680	50,911,067
161	Land	14,272,664	24,966,528	-	39,239,192	-	39,239,192
162	Buildings	205,093,952	225,855,638	2,600,000	433,549,590	-	433,549,590
163	Furniture, equipment and machinery - dwellings	4,614,584	12,936,975	775,262	18,326,821	-	18,326,821
164	Furniture, equipment and machinery - administration	957,127	1,716,345	275,651	2,949,123	-	2,949,123
165	Leasehold improvements	24,904,895	21,682,535	-	46,587,430	-	46,587,430
166	Accumulated depreciation	(186,749,664)	(120,898,027)	(2,019,796)	(309,667,487)	-	(309,667,487)
167	Construction in progress	2,908,894	4,990,367	-	7,899,261	-	7,899,261
160	Total capital assets, net of accumulated depreciation	66,002,452	171,250,361	1,631,117	238,883,930	-	238,883,930
171	Notes, Loans, & mortgages receivable - non-current	-	90,946,073	-	90,946,073	45,065,124	45,880,949
174	Other assets	3,330,382	20,101,166	25,119	23,456,667	382,904	23,073,763
180	Total Non-current Assets	69,332,834	282,297,600	1,656,236	353,286,670	45,448,028	307,838,642
190	Total Assets	\$ 84,376,649	\$ 322,665,557	\$ 11,661,211	\$ 418,703,417	\$ 59,953,708	\$ 358,749,709

See independent auditor's report

Houston Housing Authority

Financial Data Schedule – Statement of Net Position Accounts

PHA Financial Data December 31, 2019

Line Item No.	Description	Central Office Cost					
		Project Totals	Program Totals	Center	Subtotal	Elimination	Total
312	Accounts payable <= 90 days	\$ 479,260	\$ 1,027,934	\$ 186,683	\$ 1,693,877	\$ -	\$ 1,693,877
321	Accrued wage/payroll taxes payable	-	5,556	12,015	17,571	-	17,571
322	Accrued compensated absences - current portion	14,545	63,170	18,937	96,652	-	96,652
325	Accrued interest payable	-	1,676,589	-	1,676,589	110,756	1,565,833
331	Accounts payable - HUD PHA Programs	331,082	141,473	-	472,555	-	472,555
333	Accounts payable - other government	5,808	-	-	5,808	-	5,808
341	Tenant security deposits	536,914	919,696	-	1,456,610	-	1,456,610
342	Deferred revenue	19,018	1,805,540	-	1,824,558	10,686	1,813,872
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	816,993	1,931,939	-	2,748,932	-	2,748,932
345	Other current liabilities	26,383	1,965,828	-	1,992,211	-	1,992,211
346	Accrued liabilities - other	2,374,715	4,363,188	27,382	6,765,285	-	6,765,285
347	Inter program - due to	618,567	12,157,016	1,730,097	14,505,680	14,505,680	-
310	Total Current Liabilities	5,223,285	26,057,929	1,975,114	33,256,328	14,627,122	18,629,206
351	Capital projects/ mortgage revenue bonds	23,568,914	172,332,781	-	195,901,695	44,954,368	150,947,327
353	Non-current liabilities - other	89,321	31,945,049	-	32,034,370	372,218	31,662,152
354	Accrued compensated absences- non-current	111,050	272,829	185,274	569,153	-	569,153
350	Total Non-current liabilities	23,769,285	204,550,659	185,274	228,505,218	45,326,586	183,178,632
300	Total Liabilities	28,992,570	230,608,588	2,160,388	261,761,546	59,953,708	201,807,838
508.4	Net investment in capital assets	45,135,408	(3,014,359)	1,656,236	43,777,285	(43,448,965)	87,226,250
511.4	Restricted net position - program reserves	6,805,161	8,360,422	-	15,165,583	-	15,165,583
512.4	Unrestricted net position	3,443,510	86,710,906	7,844,587	97,999,003	43,448,965	54,550,038
513	Total Equity/Net Position	55,384,079	92,056,969	9,500,823	156,941,871	-	156,941,871
600	Total Liabilities, Deferred Inflows of Resources and Equity/Net position	\$ 84,376,649	\$ 322,665,557	\$ 11,661,211	\$ 418,703,417	\$ 59,953,708	\$ 358,749,709

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

PHA Financial Data Year Ended December 31, 2019

Line Item No.	Description	Central Office Cost					Total
		Project Totals	Program Totals	Center	Subtotal	Elimination	
70300	Net tenant rental revenue	\$ 6,662,145	\$ 22,388,315	\$ -	\$ 29,050,460	\$ -	\$ 29,050,460
70400	Tenant revenue - other	312,597	1,641,305	-	1,953,902	-	1,953,902
70500	Total Tenant Revenue	6,974,742	24,029,620	-	31,004,362	-	31,004,362
70600	HUD PHA operating grants	16,421,766	173,934,108	-	190,355,874	-	190,355,874
70800	Other governmental grants	-	6,124,259	-	6,124,259	-	6,124,259
70610	Capital grants	851,882	-	-	851,882	-	851,882
70710	Management fee	-	-	4,295,466	4,295,466	(4,295,466)	-
70720	Asset management fee	-	-	314,040	314,040	(314,040)	-
70730	Bookkeeping fee	-	-	1,890,576	1,890,576	(1,890,576)	-
70700	Total Fee Revenue	-	-	6,500,082	6,500,082	(6,500,082)	-
71100	Investment income - unrestricted	1,139	251,452	412	253,003	-	253,003
71200	Mortgage interest income	-	2,000,331	-	2,000,331	(618,238)	1,382,093
71400	Fraud recovery	-	10,804	-	10,804	-	10,804
71500	Other revenue	182,553	14,354,992	167,015	14,704,560	(901,850)	13,802,710
71600	Gain or loss on sale of capital assets	-	-	2,225	2,225	-	2,225
72000	Investment income - restricted	-	20,084	-	20,084	-	20,084
70000	Total Revenue	24,432,082	220,725,650	6,669,734	251,827,466	(8,020,170)	243,807,296
91100	Administrative salaries	2,103,272	9,233,918	2,732,163	14,069,353	-	14,069,353
91200	Auditing fees	66,019	226,788	-	292,807	-	292,807
91300	Management fee	1,719,731	3,356,015	-	5,075,746	(4,295,466)	780,280
91310	Bookkeeping fee	272,283	1,618,293	-	1,890,576	(1,890,576)	-
91400	Advertising and marketing	387,589	732,282	549,579	1,669,450	-	1,669,450
91500	Employee benefit contributions - administrative	653,404	3,237,298	823,970	4,714,672	-	4,714,672
91600	Office expenses	1,055,566	3,238,180	1,425,992	5,719,738	(901,850)	4,817,888
91700	Legal expense	78,255	286,537	66,696	431,488	-	431,488
91800	Travel	1,013	134,067	110,834	245,914	-	245,914
91810	Allocated Overhead	-	-	-	-	-	-
91900	Other	2,109	2,274,056	19,801	2,295,966	-	2,295,966
91000	Total Operating-Administrative	6,339,241	24,337,434	5,729,035	36,405,710	(7,087,892)	29,317,818
92000	Asset management fee	314,040	-	-	314,040	(314,040)	-
92100	Tenant services - salaries	160,960	231,901	-	392,861	-	392,861
92200	Relocation Costs	-	138,695	-	138,695	-	138,695
92300	Employee benefit contributions - tenant services	57,041	104,179	-	161,220	-	161,220
92400	Tenant services - other	45,083	866,977	11,846	923,906	-	923,906
92500	Total Tenant Services	263,084	1,341,752	11,846	1,616,682	-	1,616,682
93100	Water	1,146,902	1,966,734	-	3,113,636	-	3,113,636
93200	Electricity	916,299	828,427	1,393	1,746,119	-	1,746,119
93300	Gas	255,340	48,506	-	303,846	-	303,846
93000	Total Utilities	2,318,541	2,843,667	1,393	5,163,601	-	5,163,601
94100	Ordinary maintenance and operations - labor	1,620,195	1,654,821	-	3,275,016	-	3,275,016
94200	Ordinary maintenance and operations - materials and other	1,085,489	1,153,492	49	2,239,030	-	2,239,030
94300	Ordinary maintenance and operations contracts	4,586,665	4,467,844	8,102	9,062,611	-	9,062,611
94500	Employee benefit contribution - ordinary maintenance	94,722	193,845	-	288,567	-	288,567
94000	Total Maintenance	7,387,071	7,470,002	8,151	14,865,224	-	14,865,224

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

PHA Financial Data Year Ended December 31, 2019

Line Item No.	Description	Central Office Cost				
		Project Totals	Program Totals	Center	Subtotal	Elimination
95200	Protective services - other contract costs	1,267,035	1,050,927	46,635	2,364,597	-
95000	Total Protective Services	1,267,035	1,050,927	46,635	2,364,597	-
96110	Property insurance	540,609	1,555,932	48,829	2,145,370	-
96120	Liability insurance	37,076	547,840	55,542	640,458	-
96130	Workmen's compensation	118,699	179,611	25,560	323,870	-
96140	All other Insurance	5,485	19,180	14,777	39,442	-
96100	Total Insurance Premiums	701,869	2,302,563	144,708	3,149,140	-
96200	Other general expenses	3,412,782	426,817	644,590	4,484,189	-
96210	Compensated absences	105,764	328,441	231,593	665,798	-
96400	Bad debt - tenant rents	233,836	661,789	-	895,625	-
96000	Total Other General Expenses	3,752,382	1,417,047	876,183	6,045,612	-
96710	Interest of mortgage (or bonds) payable	932,259	7,613,627	-	8,545,886	(618,238)
96730	Amortization of bond issue costs	-	141,589	-	141,589	-
96700	Interest expense and Amortization cost	932,259	7,755,216	-	8,687,475	(618,238)
96900	Total Operating Expenses	23,275,522	48,518,608	6,817,951	78,612,081	(8,020,170)
97000	Excess Revenue Over Operating Expenses	1,156,560	172,207,042	(148,217)	173,215,385	-
97100	Extraordinary maintenance	-	9,000	-	9,000	-
97200	Casualty losses- non-capitalized	168,032	(6,700)	-	161,332	-
97300	Housing assistance payments	-	159,918,292	-	159,918,292	-
97350	Housing assistance payments - port-in	-	2,098,930	-	2,098,930	-
97400	Depreciation expense	6,419,071	7,536,580	175,965	14,131,616	-
90000	Total Expenses	29,862,625	218,074,710	6,993,916	254,931,251	(8,020,170)
10091	Inter AMP Excess Cash Transfer In	2,525,000	-	-	2,525,000	(2,525,000)
10092	Inter AMP Excess Cash Transfer Out	(2,525,000)	-	-	(2,525,000)	2,525,000
10100	Total other financing sources (uses)	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (5,430,543)	\$ 2,650,940	\$ (324,182)	\$ (3,103,785)	\$ -
11020	Required Annual Debt Principal Payments	392,279	10,911,512	-	11,303,791	-
11030	Beginning Equity	60,376,898	83,361,059	9,874,360	153,612,317	-
11040	Prior period adjustments, equity transfers, and correction of errors	437,724	6,044,970	(49,355)	6,433,339	-
11170	Administrative Fee Equity	-	(1,864,865)	-	(1,864,865)	-
11190	Unit Months Available	37,807	241,168	-	278,975	-
11210	Unit Months Leased	36,991	236,852	-	273,843	-
11270	Excess Cash	(3,722)	-	-	(3,722)	-
11610	Land Purchases	28,822	-	-	28,822	-
11620	Building Purchases	823,218	-	-	823,218	-
11630	Furniture & Equipment - Dwelling Purchases	9,787	-	749,693	759,480	-

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Program Totals December 31, 2019

Line Item	No.	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.182 N/C S/R Section 8 Programs	Component Units	Business Activities	State/Local	14.419 Section 3 Coordination and Implementation	14.870 Resident Opportunity and Supportive Services
111		Cash - unrestricted	\$ 503,904	\$ -	\$ 3,329,775	\$ 3,171,303	\$ 8,764,474	\$ -	\$ 66,848	\$ -
113		Cash - other restricted	-	-	-	8,422,984	1,445,178	-	-	-
114		Cash - tenant security deposits	-	-	74,905	747,490	119,048	-	-	-
115		Cash - Restricted for payment of current liability	1,434,757	-	-	-	-	-	-	-
100		Total Cash	1,938,661	-	3,404,680	12,341,777	10,328,700	-	66,848	-
121		Accounts receivable - PHA projects	-	-	-	-	-	304	-	-
122		Accounts receivable - HUD other projects	350,125	20,447	-	-	-	135,333	-	26,971
125		Account receivable - miscellaneous	-	-	18,197	42,623	1,147,462	-	-	-
126		Accounts receivable - tenants	-	-	1,375	163,543	67,703	-	-	-
126.1		Allowance for doubtful accounts - tenants	-	-	(194)	-	-	-	-	-
120		Total receivables, net of allowance for doubtful accounts	350,125	20,447	19,378	206,166	1,215,165	135,637	-	26,971
142		Prepaid expenses and other assets	-	-	-	647,364	2,092,622	-	-	-
144		Inter program - due from	40,413	185,582	-	-	5,256,983	-	-	-
150		Total Current Assets	2,329,199	206,029	3,424,058	13,195,307	18,893,470	135,637	66,848	26,971
161		Land	-	-	621,829	1,182,545	23,162,154	-	-	-
162		Buildings	-	-	17,038,396	167,266,783	41,550,459	-	-	-
163		Furniture, equipment and machinery - dwellings	-	-	5,100	10,834,711	1,647,164	-	-	-
164		Furniture, equipment and machinery - administration	1,462,678	-	148,741	-	-	-	-	-
165		Leasehold improvements	-	-	-	15,930,058	5,752,477	-	-	-
166		Accumulated depreciation	(1,427,433)	-	(16,795,595)	(72,627,799)	(29,582,274)	-	-	-
167		Construction in progress	-	-	1,739,297	-	3,251,070	-	-	-
160		Total capital assets, net of accumulated depreciation	35,245	-	2,757,768	122,586,298	45,781,050	-	-	-
171		Notes, Loans, & mortgages receivable - Non-current	-	-	-	-	90,946,073	-	-	-
174		Other assets	-	-	-	5,363,066	14,738,100	-	-	-
180		Total Non-current Assets	35,245	-	2,757,768	127,949,364	151,465,223	-	-	-
190		Total Assets	\$ 2,364,444	\$ 206,029	\$ 6,181,826	\$ 141,144,671	\$ 170,358,693	\$ 135,637	\$ 66,848	\$ 26,971

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Program Totals December 31, 2019

Line Item No.	Description	14.249 Section 8 Moderate		97.109 Disaster Housing		Income Housing Assistance Program Section 8 Moderate		14.267 Continuum of Care Program		14.218 Community Development Block Grants/Entitlement		97.036 FEMA	
		14.191 Multifamily Housing Service Coordinators	Rehabilitation Single Room Occupancy	Assistance Grant	14.IKE DHAP-IKE	Rehabilitation				Grants			
111	Cash - unrestricted	\$ -	\$ 44,712	\$ 1,413	\$ -	\$ 430,872	\$ 20,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-	-
114	Cash - tenant security deposits	-	-	-	-	-	-	-	-	-	-	-	-
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	-	44,712	1,413	-	430,872	20,369	-	-	-	-	-	-
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	15,865	-	-	-	6,990	178,447	-	-	-	-	-	-
125	Account receivable - miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
126	Accounts receivable - tenants	-	-	-	-	-	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowance for doubtful accounts	15,865	-	-	-	6,990	178,447	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	-	-	-
144	Inter program - due from	-	-	-	-	56,202	-	-	-	-	-	-	-
150	Total Current Assets	15,865	44,712	1,413	-	494,064	198,816	-	-	-	-	-	-
161	Land	-	-	-	-	-	-	-	-	-	-	-	-
162	Buildings	-	-	-	-	-	-	-	-	-	-	-	-
163	Furniture, equipment and machinery - dwellings	-	-	-	-	-	-	-	-	450,000	-	-	-
164	Furniture, equipment and machinery - administration	-	-	104,926	-	-	-	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	-	-	(104,926)	-	-	-	-	-	(360,000)	-	-	-
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	90,000	-	-	-
171	Notes, Loans, & mortgages receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-current Assets	-	-	-	-	-	-	-	-	90,000	-	-	-
190	Total Assets	\$ 15,865	\$ 44,712	\$ 1,413	\$ -	\$ 494,064	\$ 198,816	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Program Totals December 31, 2019

Line Item		14.895 Jobs-Plus	14.228 Community	14.239 HOME	
No.	Description	Pilot Initiative	Development	Investment	Total Programs
			Block Grants/State	Partnerships	
111	Cash - unrestricted	\$ 18,115	\$ -	\$ -	\$ 16,351,785
113	Cash - other restricted	-	-	-	9,868,162
114	Cash - tenant security deposits	-	-	-	941,443
115	Cash - Restricted for payment of current liability	-	-	-	1,434,757
100	Total Cash	18,115	-	-	28,596,147
121	Accounts receivable - PHA projects	-	-	-	304
122	Accounts receivable - HUD other projects	283,230	-	-	1,017,408
125	Account receivable - miscellaneous	-	-	-	1,208,282
126	Accounts receivable - tenants	-	-	-	232,621
126.1	Allowance for doubtful accounts - tenants	-	-	-	(194)
120	Total receivables, net of allowance for doubtful accounts	283,230	-	-	2,458,421
142	Prepaid expenses and other assets	-	-	-	2,739,986
144	Inter program - due from	1,034,223	-	-	6,573,403
150	Total Current Assets	1,335,568	-	-	40,367,957
161	Land	-	-	-	24,966,528
162	Buildings	-	-	-	225,855,638
163	Furniture, equipment and machinery - dwellings	-	-	-	12,936,975
164	Furniture, equipment and machinery - administration	-	-	-	1,716,345
165	Leasehold improvements	-	-	-	21,682,535
166	Accumulated depreciation	-	-	-	(120,898,027)
167	Construction in progress	-	-	-	4,990,367
160	Total capital assets, net of accumulated depreciation	-	-	-	171,250,361
171	Notes, Loans, & mortgages receivable - Non-current	-	-	-	90,946,073
174	Other assets	-	-	-	20,101,166
180	Total Non-current Assets	-	-	-	282,297,600
190	Total Assets	\$ 1,335,568	\$ -	\$ -	\$ 322,665,557

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Program Totals
December 31, 2019

Line Item	No.	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.182 N/C S/R Section 8 Programs	Component Units	Business Activities	State/Local	14.419 Section 3 Coordination and Implementation	14.870 Resident Opportunity and Supportive Services
312		Accounts payable <= 90 days	\$ 165,551	\$ -	\$ 105,009	\$ 411,690	\$ 301,257	\$ 15,383	\$ -	\$ 497
321		Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-
322		Accrued compensated absences - current portion	50,268	-	-	-	12,902	-	-	-
325		Accrued interest payable	-	-	-	1,070,507	606,082	-	-	-
331		Accounts payable - HUD PHA Programs	-	3,610	-	-	-	-	-	-
341		Tenant security deposits	-	-	69,195	732,274	118,227	-	-	-
342		Deferred revenue	-	-	408	83,080	1,722,052	-	-	-
		Current portion of long-term debt - capital projects/mortgage revenue								
343		bonds	-	-	-	1,393,280	538,659	-	-	-
345		Other current liabilities	1,957,485	-	-	-	8,343	-	-	-
346		Accrued liabilities - other	-	3,334	98	4,116,344	240,410	-	-	-
347		Inter program - due to	557,699	7,550	-	-	10,686,797	48,882	17,632	89,492
310		Total Current Liabilities	2,731,003	14,501	174,710	7,807,175	14,234,729	64,265	17,632	89,989
351		Capital Projects/ Mortgage Revenue Bonds	-	-	-	106,726,718	65,606,063	-	-	-
353		Non-current liabilities - other	1,297,236	-	-	24,300,371	6,347,442	-	-	-
354		Accrued compensated absences- Non-current	201,070	-	20,150	-	51,609	-	-	-
350		Total Non-current liabilities	1,498,306	-	20,150	131,027,089	72,005,114	-	-	-
300		Total Liabilities	4,229,309	14,501	194,860	138,834,264	86,239,843	64,265	17,632	89,989
508.4		Invested in capital assets, net of related debt	35,245	-	2,757,768	14,466,300	(20,363,672)	-	-	-
511.4		Restricted Net Position - program reserves	-	-	5,302	8,355,120	-	-	-	-
512.4		Unrestricted Net Position	(1,900,110)	191,528	3,223,896	(20,511,013)	104,482,522	71,372	49,216	(63,018)
513		Total Equity/Net Position	(1,864,865)	191,528	5,986,966	2,310,407	84,118,850	71,372	49,216	(63,018)
600		Total Liabilities, Deferred Inflows of Resources and Equity/Net position	\$ 2,364,444	\$ 206,029	\$ 6,181,826	\$ 141,144,671	\$ 170,358,693	\$ 135,637	\$ 66,848	\$ 26,971

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

**Program Totals
December 31, 2019**

Line Item No.	Description	14.191 Multifamily Housing Service Coordinators		14.249 Section 8 Moderate Rehabilitation Single Room Occupancy		97.109 Disaster Housing Assistance Grant		14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation		14.267 Continuum of Care Program		14.218 Community Development Block Grants/Entitlement Grants		97.036 FEMA	
		\$		\$		\$		\$		\$		\$		\$	
		-		13		-		54		-		-		-	
312	Accounts payable <= 90 days	5,556		-		-		-		-		-		-	
321	Accrued wage/payroll taxes payable	-		-		-		-		-		-		-	
322	Accrued compensated absences - current portion	-		16,791		-		121,072		-		-		-	
325	Accrued interest payable	-		-		-		-		-		-		-	
331	Accounts payable - HUD PHA Programs	-		-		-		-		-		-		-	
341	Tenant security deposits	-		-		-		-		-		-		-	
342	Deferred revenue	-		-		-		-		-		-		-	
	Current portion of long-term debt - capital projects/mortgage revenue	-		-		-		-		-		-		-	
343	bonds	-		-		-		-		-		-		-	
345	Other current liabilities	-		1,001		-		2,001		-		-		-	
346	Accrued liabilities - other	20,327		24,339		843		28,241		675,214		-		-	
347	Inter program - due to	25,883		42,144		843		151,368		675,214		-		-	
310	Total Current Liabilities	-		-		-		-		-		-		-	
351	Capital Projects/ Mortgage Revenue Bonds	-		-		-		-		-		-		-	
353	Non-current liabilities - other	-		-		-		-		-		-		-	
354	Accrued compensated absences- Non-current	-		-		-		-		-		-		-	
350	Total Non-current liabilities	25,883		42,144		843		151,368		675,214		-		-	
300	Total Liabilities	-		-		-		-		-		90,000		-	
508.4	Invested in capital assets, net of related debt	-		-		-		-		-		-		-	
511.4	Restricted Net Position - program reserves	(10,018)		2,568		570		342,696		(476,398)		-		-	
512.4	Unrestricted Net Position	(10,018)		2,568		570		342,696		(476,398)		90,000		-	
513	Total Equity/Net Position														
600	Total Liabilities, Deferred Inflows of Resources and Equity/Net position	\$ 15,865	\$ 44,712	\$ 1,413	\$ -	\$ 494,064	\$ 198,816	\$ 90,000	\$ -						

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Program Totals
December 31, 2019

Line Item		14.895 Jobs-Plus	14.228 Community	14.239 HOME	
No.	Description	Pilot Initiative	Development	Investment	Total Programs
			Block Grants/State	Partnerships	
312	Accounts payable <= 90 days	\$ 28,473	\$ -	\$ -	\$ 1,027,934
321	Accrued wage/payroll taxes payable	-	-	-	5,556
322	Accrued compensated absences - current portion	-	-	-	63,170
325	Accrued interest payable	-	-	-	1,676,589
331	Accounts payable - HUD PHA Programs	-	-	-	141,473
341	Tenant security deposits	-	-	-	919,696
342	Deferred revenue	-	-	-	1,805,540
	Current portion of long-term debt - capital projects/mortgage revenue	-	-	-	1,931,939
343	bonds	-	-	-	1,965,828
345	Other current liabilities	-	-	-	4,363,188
346	Accrued liabilities - other	-	-	-	12,157,016
347	Inter program - due to	28,473	-	-	26,057,929
310	Total Current Liabilities				
		-	-	-	172,332,781
351	Capital Projects/ Mortgage Revenue Bonds	-	-	-	31,945,049
353	Non-current liabilities - other	-	-	-	272,829
354	Accrued compensated absences- Non-current	-	-	-	204,550,659
350	Total Non-current liabilities				
		28,473	-	-	230,608,588
300	Total Liabilities				
		-	-	-	(3,014,359)
508.4	Invested in capital assets, net of related debt	-	-	-	8,360,422
511.4	Restricted Net Position - program reserves	1,307,095	-	-	86,710,906
512.4	Unrestricted Net Position	1,307,095	-	-	92,056,969
513	Total Equity/Net Position				
600	Total Liabilities, Deferred Inflows of Resources and Equity/Net position	\$ 1,335,568	\$ -	\$ -	\$ 322,665,557

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Program Totals Year Ended December 31, 2019

Line Item No.	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.182 N/C S/R Section 8 Programs	Component Units	Business Activities	State/Local	14.419 Section 3 Coordination and Implementation
70300	Net tenant rental revenue	-	-	847,421	18,288,543	3,252,351	-	-
70400	Tenant revenue - other	-	-	14,116	678,654	948,535	-	-
70500	Total Tenant Revenue	-	-	861,537	18,967,197	4,200,886	-	-
70600	HUD PHA operating grants	162,918,987	1,218,084	2,068,752	-	1,334,826	-	-
70800	Other government grants	-	-	-	-	2,909,259	890,693	-
71100	Investment income - unrestricted	-	-	-	6,751	244,701	-	-
71200	Mortgage interest income	-	-	-	-	2,000,331	-	-
71400	Fraud recovery	10,804	-	-	-	-	-	-
71500	Other revenue	236,499	120	-	11,533,937	2,467,328	31,823	7,147
72000	Investment income - restricted	-	-	-	20,084	-	-	-
70000	Total Revenue	163,166,290	1,218,204	2,930,289	30,527,969	13,157,331	922,516	7,147
91100	Administrative salaries	4,317,103	4,247	279,623	1,651,197	2,173,172	90,178	-
91200	Auditing fees	28,629	1,334	7,654	124,672	61,496	-	-
91300	Management Fee	2,375,974	16,730	111,139	604,154	176,126	-	-
91310	Book-Keeping Fee	1,546,357	10,973	26,625	-	-	-	-
91400	Advertising and Marketing	574,671	-	11,835	109,976	31,762	-	-
91500	Employee benefit contributions - administrative	1,770,864	1,487	84,087	434,220	639,127	31,897	-
91600	Office Expenses	1,194,984	126	159,592	616,135	1,202,096	1,167	-
91700	Legal Expense	-	-	66,579	58,302	161,656	-	-
91800	Travel	95,989	168	1,540	-	20,362	1,591	-
91900	Other	23,023	-	-	1,088,014	477,665	-	-
91000	Total Operating-Administrative	11,927,594	35,065	748,674	4,686,670	4,943,462	124,833	-
92100	Tenant services - salaries	-	-	19,165	-	-	-	-
92200	Relocation Costs	-	-	138,206	-	489	-	-
92300	Employee benefit contributions - tenant services	-	-	6,792	-	-	-	-
92400	Tenant services - other	-	-	10,133	286,953	315,962	-	15,179
92500	Total Tenant Services	-	-	174,296	286,953	316,451	-	15,179
93100	Water	-	-	175,352	1,515,372	276,010	-	-
93200	Electricity	-	-	167,380	401,575	259,472	-	-
93300	Gas	-	-	15,924	27,714	4,868	-	-
93000	Total Utilities	-	-	358,656	1,944,661	540,350	-	-
94100	Ordinary maintenance and operations - labor	-	-	195,894	1,035,709	423,218	-	-
94200	Ordinary maintenance and operations - materials and other	900	-	99,959	829,048	223,585	-	-
94300	Ordinary Maintenance and Operations Contracts	600	-	310,820	3,064,621	1,091,803	-	-
94500	Employee benefit contribution - ordinary maintenance	-	-	52,059	116,295	25,491	-	-
94000	Total Maintenance	1,500	-	658,732	5,045,673	1,764,097	-	-

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Program Totals Year Ended December 31, 2019

Line Item No.	Description	14.870 Resident Opportunity and Supportive Services	14.191 Multifamily Housing Service Coordinators	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	14.IKE DHAP-IKE	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.267 Continuum of Care Program
70300	Net tenant rental revenue	-	-	-	-	-	-	-
70400	Tenant revenue - other	-	-	-	-	-	-	-
70500	Total Tenant Revenue	-	-	-	-	-	-	-
70600	HUD PHA operating grants	573,417	146,886	314,781	-	-	2,331,149	2,111,388
70800	Other government grants	-	-	-	-	-	-	376,631
71100	Investment income - unrestricted	-	-	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-
71500	Other revenue	2,500	-	57	-	-	145	75,436
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	Total Revenue	575,917	146,886	314,838	-	-	2,331,294	2,563,455
91100	Administrative salaries	263,144	2,713	30,594	-	-	123,010	213,768
91200	Auditing fees	-	-	1,001	-	-	2,002	-
91300	Management Fee	-	-	15,014	-	-	56,878	-
91310	Book-Keeping Fee	-	-	7,290	-	-	27,053	-
91400	Advertising and Marketing	595	595	598	-	-	2,250	-
91500	Employee benefit contributions - administrative	117,208	-	11,107	-	-	44,659	75,611
91600	Office Expenses	1,685	2,790	7,904	-	-	41,136	2,766
91700	Legal Expense	-	-	-	-	-	-	-
91800	Travel	5,976	3,243	289	-	-	1,138	3,771
91900	Other	-	406	-	-	-	-	684,948
91000	Total Operating-Administrative	388,608	9,747	73,797	-	-	298,126	980,864
92100	Tenant services - salaries	124,659	88,077	-	-	-	-	-
92200	Relocation Costs	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	58,507	38,880	-	-	-	-	-
92400	Tenant services - other	3,484	473	-	-	-	-	-
92500	Total Tenant Services	186,650	127,430	-	-	-	-	-
93100	Water	-	-	-	-	-	-	-
93200	Electricity	-	-	-	-	-	-	-
93300	Gas	-	-	-	-	-	-	-
93000	Total Utilities	-	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	-	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations Contracts	-	-	-	-	-	-	-
94500	Employee benefit contribution - ordinary maintenance	-	-	-	-	-	-	-
94000	Total Maintenance	-	-	-	-	-	-	-

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Program Totals Year Ended December 31, 2019

Line Item No.	Description	14.218 Community Development Block Grants/Entitlement Grants	97.036 FEMA	14.895 Jobs-Plus Pilot Initiative	14.228 Community Development Block Grants/State	14.239 HOME Investment Partnerships	Total Programs
70300	Net tenant rental revenue	-	-	-	-	-	22,388,315
70400	Tenant revenue - other	-	-	-	-	-	1,641,305
70500	Total Tenant Revenue	-	-	-	-	-	24,029,620
70600	HUD PHA operating grants	-	-	915,838	-	-	173,934,108
70800	Other government grants	-	1,947,676	-	-	-	6,124,259
71100	Investment income - unrestricted	-	-	-	-	-	251,452
71200	Mortgage interest income	-	-	-	-	-	2,000,331
71400	Fraud recovery	-	-	-	-	-	10,804
71500	Other revenue	-	-	-	-	-	14,354,992
72000	Investment income - restricted	-	-	-	-	-	20,084
70000	Total Revenue	-	1,947,676	915,838	-	-	220,725,650
91100	Administrative salaries	-	-	85,169	-	-	9,233,918
91200	Auditing fees	-	-	-	-	-	226,788
91300	Management Fee	-	-	-	-	-	3,356,015
91310	Book-Keeping Fee	-	-	-	-	-	1,618,293
91400	Advertising and Marketing	-	-	-	-	-	732,282
91500	Employee benefit contributions - administrative	-	-	27,031	-	-	3,237,298
91600	Office Expenses	-	-	7,799	-	-	3,238,180
91700	Legal Expense	-	-	-	-	-	286,537
91800	Travel	-	-	-	-	-	134,067
91900	Other	-	-	-	-	-	2,274,056
91000	Total Operating-Administrative	-	-	119,999	-	-	24,337,439
92100	Tenant services - salaries	-	-	-	-	-	231,901
92200	Relocation Costs	-	-	-	-	-	138,695
92300	Employee benefit contributions - tenant services	-	-	-	-	-	104,179
92400	Tenant services - other	-	-	234,793	-	-	866,977
92500	Total Tenant Services	-	-	234,793	-	-	1,341,752
93100	Water	-	-	-	-	-	1,966,734
93200	Electricity	-	-	-	-	-	828,427
93300	Gas	-	-	-	-	-	48,506
93000	Total Utilities	-	-	-	-	-	2,843,667
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	1,654,821
94200	Ordinary maintenance and operations - materials and other	-	-	-	-	-	1,153,492
94300	Ordinary Maintenance and Operations Contracts	-	-	-	-	-	4,467,844
94500	Employee benefit contribution - ordinary maintenance	-	-	-	-	-	193,845
94000	Total Maintenance	-	-	-	-	-	7,470,002

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Program Totals Year Ended December 31, 2019

Line Item No.	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.182 N/C S/R Section 8 Programs	Component Units	Business Activities	State/Local	14.419 Section 3 Coordination and Implementation
95200	Protective services - other contract costs	64,401	-	122,346	598,797	265,378	-	-
95000	Total Protective Services	64,401	-	122,346	598,797	265,378	-	-
96110	Property Insurance	-	-	57,092	1,129,295	369,545	-	-
96120	Liability Insurance	-	-	2,825	466,711	78,304	-	-
96130	Workmen's Compensation	41,776	24	11,079	73,128	48,686	539	-
96140	All other Insurance	-	-	-	-	19,180	-	-
96100	Total Insurance Premiums	41,776	24	70,996	1,669,134	515,715	539	-
96200	Other general expenses	-	-	1,941	353,429	71,447	-	-
96210	Compensated absences	251,337	-	12,593	-	64,511	-	-
96400	Bad debt - tenant rents	-	-	3,683	173,733	484,373	-	-
96000	Total Other General Expenses	251,337	-	18,217	527,162	620,331	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	6,235,388	1,378,239	-	-
96730	Amortization of Bond Issue Costs	-	-	-	141,589	-	-	-
96700	Interest expense and Amortization cost	-	-	-	6,376,977	1,378,239	-	-
96900	Total Operating Expenses	12,286,608	35,089	2,151,917	21,136,027	10,344,023	125,372	15,179
97000	Excess Revenue Over Operating Expenses	150,879,682	1,183,115	778,372	9,391,942	2,813,308	797,144	(8,032)
97100	Extraordinary maintenance	-	-	-	-	9,000	-	-
97200	Casualty losses- Non-capitalized	-	-	-	-	(6,700)	-	-
97300	Housing assistance payments	153,145,707	994,932	-	-	2,807,825	663,083	-
97350	Housing assistance payments - port-in	2,386	-	-	-	-	-	-
97400	Depreciation expense	14,106	-	301,474	5,635,521	1,495,479	-	-
90000	Total Expenses	165,448,807	1,030,021	2,453,391	26,771,548	14,649,627	788,455	15,179
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(2,282,517)	188,183	476,898	3,756,421	(1,492,296)	134,061	(8,032)
11020	Required Annual Debt Principal Payments	-	-	-	1,137,876	9,773,636	-	-
11030	Beginning equity	417,652	3,345	5,510,068	(7,796,673)	83,969,159	(62,689)	57,248
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	6,350,659	1,641,987	-	-
11170	Administrative Fee Equity	(1,864,865)	-	-	-	-	-	-
11190	Unit Months Available	207,288	600	3,600	23,676	2,364	656	-
11210	Unit Months Leased	203,078	598	3,567	23,676	2,364	656	-

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Program Totals Year Ended December 31, 2019

Line Item No.	Description	14.870 Resident Opportunity and Supportive Services	14.191 Multifamily Housing Service Coordinators	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.267 Continuum of Care Program
95200	Protective services - other contract costs	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	-
96130	Workmen's Compensation	2,367	533	-	-	-	1,278
96140	All other Insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	2,367	533	-	-	-	1,278
96200	Other general expenses	-	-	-	-	-	-
96210	Compensated absences	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-
96000	Total Other General Expenses	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-
96700	Interest expense and Amortization cost	-	-	-	-	-	-
96900	Total Operating Expenses	577,625	137,710	73,797	-	298,126	982,142
97000	Excess Revenue Over Operating Expenses	(1,708)	9,176	241,041	-	2,033,168	1,581,313
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses- Non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	243,068	-	-	2,063,677
97350	Housing assistance payments - port-in	-	-	-	-	2,096,544	-
97400	Depreciation expense	-	-	-	-	-	-
90000	Total Expenses	577,625	137,710	316,865	-	2,394,670	3,045,819
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(1,708)	9,176	(2,027)	-	(63,376)	(482,364)
11020	Required Annual Debt Principal Payments						
11030	Beginning equity	(61,310)	(19,194)	4,595	570	406,072	5,966
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	-	1,020	-	-	1,964
11210	Unit Months Leased	-	-	949	-	-	1,964

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Program Totals Year Ended December 31, 2019

Line Item No.	Description	14.218 Community Development Block Grants/Entitlement	97.036 FEMA	14.895 Jobs-Plus Pilot Initiative	14.228 Community Development Block Grants/State	14.239 HOME Investment Partnerships	Total Programs
		Grants					
95200	Protective services - other contract costs	-	-	-	-	-	1,050,922
95000	Total Protective Services	-	-	-	-	-	1,050,922
96110	Property Insurance	-	-	-	-	-	1,555,932
96120	Liability Insurance	-	-	-	-	-	547,840
96130	Workmen's Compensation	-	-	201	-	-	179,611
96140	All other Insurance	-	-	-	-	-	19,180
96100	Total Insurance Premiums	-	-	201	-	-	2,302,563
96200	Other general expenses	-	-	-	-	-	426,817
96210	Compensated absences	-	-	-	-	-	328,441
96400	Bad debt - tenant rents	-	-	-	-	-	661,789
96000	Total Other General Expenses	-	-	-	-	-	1,417,047
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	7,613,627
96730	Amortization of Bond Issue Costs	-	-	-	-	-	141,589
96700	Interest expense and Amortization cost	-	-	-	-	-	7,755,216
96900	Total Operating Expenses	-	-	354,993	-	-	48,518,608
97000	Excess Revenue Over Operating Expenses	-	1,947,676	560,845	-	-	172,207,042
97100	Extraordinary maintenance	-	-	-	-	-	9,000
97200	Casualty losses- Non-capitalized	-	-	-	-	-	(6,700)
97300	Housing assistance payments	-	-	-	-	-	159,918,292
97350	Housing assistance payments - port-in	-	-	-	-	-	2,098,930
97400	Depreciation expense	90,000	-	-	-	-	7,536,580
90000	Total Expenses	90,000	-	354,993	-	-	218,074,710
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(90,000)	1,947,676	560,845	-	-	\$ 2,650,940
11020	Required Annual Debt Principal Payments						10,911,512
11030	Beginning equity	180,000	-	746,250	-	-	83,361,059
11040	Prior period adjustments, equity transfers, and correction of errors	-	(1,947,676)	-	-	-	6,044,970
11170	Administrative Fee Equity	-	-	-	-	-	(1,864,865)
11190	Unit Months Available	-	-	-	-	-	241,168
11210	Unit Months Leased	-	-	-	-	-	236,852

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP1	AMP2	AMP3	AMP4	AMP5	AMP6	AMP7	AMP8
		TX005000001P	TX005000002P	TX005000003P	TX005000004P	TX005000005P	TX005000006P	TX005000007P	TX005000008P
111	Cash - unrestricted	\$ -	\$ 350,312	\$ -	\$ 321,683	\$ 1,113,662	\$ -	\$ 367,061	\$ -
112	Cash -restricted-modernization and development	-	34,643	1,806	15,537	30,362	-	18,069	-
113	Cash - other restricted	6,786,021	-	-	-	-	-	-	-
114	Cash - tenant security deposits	-	85,512	10,286	62,073	144,576	-	72,687	-
100	Total Cash	6,786,021	470,467	12,092	399,293	1,288,600	-	457,817	-
122	Accounts receivable - HUD other projects	-	21,805	-	5,514	13,692	-	-	-
125	Account receivable - miscellaneous	-	-	39,415	106,728	-	-	-	-
126	Accounts receivable - tenants	-	19,545	646	25,855	28,742	-	8,403	-
126.1	Allowance for doubtful accounts - tenants	-	(10,504)	-	(3,271)	(5,393)	-	(537)	-
120	Total receivables, net of allowance for doubtful accounts	-	30,846	40,061	134,826	37,041	-	7,866	-
131	Investments - unrestricted	15,371	38,283	59,910	44,689	93,750	-	50,786	12,000
142	Prepaid expenses and other assets	-	43,505	-	-	-	-	-	-
144	Inter program - due from	37,848	297,174	14,981	344,646	726,329	-	390,564	77,644
150	Total Current Assets	6,839,240	880,275	127,044	923,454	2,145,720	-	907,033	89,644
161	Land	-	487,841	632,189	70,968	122,777	-	87,112	932,254
162	Buildings	-	23,773,228	5,077,428	39,685,890	38,430,178	-	33,196,731	-
163	Furniture, equipment and machinery - dwellings	-	478,390	48,468	31,848	34,624	-	234,026	-
164	Furniture, equipment and machinery - administration	-	312,711	-	-	22,912	-	-	-
165	Leasehold improvements	-	3,622,805	188,808	1,624,796	3,175,132	-	1,889,555	184,794
166	Accumulated depreciation	-	(12,691,119)	(2,192,772)	(39,850,690)	(38,335,888)	-	(32,815,407)	(36,959)
167	Construction in progress	-	507,295	55,905	348,231	369,979	-	60,595	-
160	Total capital assets, net of accumulated depreciation	-	16,491,151	3,810,026	1,911,043	3,819,714	-	2,652,612	1,080,089
174	Other assets	-	-	-	4,700	-	-	-	184,271
180	Total Non-current Assets	-	16,491,151	3,810,026	1,915,743	3,819,714	-	2,652,612	1,264,360
190	Total Assets	\$ 6,839,240	\$ 17,371,426	\$ 3,937,070	\$ 2,839,197	\$ 5,965,434	\$ -	\$ 3,559,645	\$ 1,354,004

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

**Project Totals
December 31, 2019**

Line Item No.	Description	AMP9	AMP10	AMP11	AMP12	AMP13	AMP14	AMP15	AMP16
		TX005000009P	TX0050000010P	TX0050000011P	TX0050000012P	TX0050000013P	TX0050000014P	TX0050000015P	TX0050000016P
111	Cash - unrestricted	\$ -	\$ -	\$ 146,418	\$ 261,823	\$ 43,733	\$ 55,436	\$ 93,455	\$ -
112	Cash -restricted-modernization and development	9,752	-	43	8,951	12,351	19,371	-	30,310
113	Cash - other restricted	-	-	-	-	-	-	7	-
114	Cash - tenant security deposits	8,501	880	-	44,528	43,347	57,075	-	-
100	Total Cash	18,253	880	146,461	315,302	99,431	131,882	93,462	30,310
122	Accounts receivable - HUD other projects	-	-	-	1,202	-	-	-	20,870
125	Account receivable - miscellaneous	228,605	-	18,789	-	217,140	-	-	23,426
126	Accounts receivable - tenants	5	-	-	65	-	12,966	-	-
126.1	Allowance for doubtful accounts - tenants	(82)	-	-	-	-	(3,278)	-	-
120	Total receivables, net of allowance for doubtful accounts	228,528	-	18,789	1,267	217,140	9,688	-	44,296
131	Investments - unrestricted	22,045	33,816	6,366	20,489	7,017	56,773	24,006	19,868
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	-
144	Inter program - due from	36,079	31,992	48,959	157,575	53,961	308,198	184,611	155,345
150	Total Current Assets	304,905	66,688	220,575	494,633	377,549	506,541	302,079	249,819
161	Land	519,446	124,884	-	302,500	352,719	363,169	411,767	389,617
162	Buildings	5,510,445	-	-	8,198,478	12,541,324	28,431,483	1,410	716,567
163	Furniture, equipment and machinery - dwellings	119,762	-	-	1,507,658	1,731,242	283,499	-	145,067
164	Furniture, equipment and machinery - administration	-	-	-	181,910	46,482	75,042	-	-
165	Leasehold improvements	1,019,804	-	1,119,320	935,981	1,291,559	2,025,624	1,480,268	3,169,659
166	Accumulated depreciation	(5,541,787)	-	(210,285)	(7,887,572)	(13,629,010)	(27,623,603)	(296,569)	(1,092,558)
167	Construction in progress	331,245	-	249,532	49,017	65,378	60,790	491,909	158,816
160	Total capital assets, net of accumulated depreciation	1,958,915	124,884	1,158,567	3,287,972	2,399,694	3,616,004	2,088,785	3,487,168
174	Other assets	-	-	611,964	-	-	-	4,532	2,437,635
180	Total Non-current Assets	1,958,915	124,884	1,770,531	3,287,972	2,399,694	3,616,004	2,093,317	5,924,803
190	Total Assets	\$ 2,263,820	\$ 191,572	\$ 1,991,106	\$ 3,782,605	\$ 2,777,243	\$ 4,122,545	\$ 2,395,396	\$ 6,174,622

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Project Totals December 31, 2019

Line Item	No.	Description	AMP17	AMP18	AMP19	AMP20	AMP21	AMP22	Total Projects
			TX0050000017P	TX0050000018P	TX0050000019P	TX0050000020P	TX0050000021P	TX0050000022P	
	111	Cash - unrestricted	\$ -	\$ -	\$ -	\$ 78,611	\$ 77,151	\$ 40,700	\$ 2,950,045
	112	Cash -restricted-modernization and development	213	-	7,073	-	-	-	188,481
	113	Cash - other restricted	-	5	-	-	-	-	6,786,033
	114	Cash - tenant security deposits	-	-	26,589	-	-	-	556,054
	100	Total Cash	213	5	33,662	78,611	77,151	40,700	10,480,613
	122	Accounts receivable - HUD other projects	-	-	-	-	-	-	63,083
	125	Account receivable - miscellaneous	-	-	-	120,114	70,247	-	824,464
	126	Accounts receivable - tenants	-	-	6,376	-	-	-	102,603
	126.1	Allowance for doubtful accounts - tenants	-	-	(309)	-	-	-	(23,374)
	120	Total receivables, net of allowance for doubtful accounts	-	-	6,067	120,114	70,247	-	966,776
	131	Investments - unrestricted	4,427	12,118	15,228	-	-	-	536,942
	142	Prepaid expenses and other assets	-	-	-	-	-	-	43,505
	144	Inter program - due from	34,044	19,084	96,945	-	-	-	3,015,979
	150	Total Current Assets	38,684	31,207	151,902	198,725	147,398	40,700	15,043,815
	161	Land	626,757	689,181	136,483	-	-	8,023,000	14,272,664
	162	Buildings	15,129	-	9,515,661	-	-	-	205,093,952
	163	Furniture, equipment and machinery - dwellings	-	-	-	-	-	-	4,614,584
	164	Furniture, equipment and machinery - administration	-	-	318,070	-	-	-	957,127
	165	Leasehold improvements	833,417	1,603,736	739,637	-	-	-	24,904,895
	166	Accumulated depreciation	(160,369)	(320,747)	(4,064,329)	-	-	-	(186,749,664)
	167	Construction in progress	28,822	-	-	-	-	131,380	2,908,894
	160	Total capital assets, net of accumulated depreciation	1,343,756	1,972,170	6,645,522	-	-	8,154,380	66,002,452
	174	Other assets	-	-	-	6,000	81,280	-	3,330,382
	180	Total Non-current Assets	1,343,756	1,972,170	6,645,522	6,000	81,280	8,154,380	69,332,834
	190	Total Assets	\$ 1,382,440	\$ 2,003,377	\$ 6,797,424	\$ 204,725	\$ 228,678	\$ 8,195,080	\$ 84,376,649

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Project Totals December 31, 2019

Line Item	No.	Description	AMP1	AMP2	AMP3	AMP4	AMP5	AMP6	AMP7	AMP8
			TX005000001P	TX005000002P	TX005000003P	TX005000004P	TX005000005P	TX005000006P	TX005000007P	TX005000008P
312		Accounts payable <= 90 days	\$ -	\$ 31,239	\$ 17,884	\$ 47,721	\$ 51,817	\$ -	\$ 59,026	\$ 47
322		Accrued compensated absences - current portion	-	2,332	336	2,486	4,981	-	2,670	-
331		Accounts payable - HUD PHA Programs	-	4,860	-	-	-	-	-	-
333		Accounts payable - other government	-	-	-	-	-	-	-	-
341		Tenant security deposits	-	85,512	10,286	62,073	132,689	-	72,687	-
342		Deferred revenue	-	7,828	1,087	419	5,031	-	1,551	-
		Current portion of long-term debt - capital projects/mortgage revenue								
343		bonds	-	118,295	6,165	53,054	103,677	-	61,699	-
345		Other current liabilities	-	4,914	-	12,689	4,133	-	-	-
346		Accrued liabilities - other	-	800,650	1,020	7,551	637,036	-	64,943	-
347		Inter program - due to	-	-	-	-	-	-	-	-
310		Total Current Liabilities	-	1,055,630	36,778	185,993	939,364	-	262,576	47
351		Capital Projects/ Mortgage Revenue Bonds	-	4,468,474	119,682	1,994,654	3,208,774	-	2,002,236	-
353		Non-current liabilities - other	-	468	-	5,040	82	-	3,199	-
354		Accrued compensated absences- Non-current	-	9,327	1,345	9,942	19,923	-	10,681	-
350		Total Non-current liabilities	-	4,478,269	121,027	2,009,636	3,228,779	-	2,016,116	-
300		Total Liabilities	-	5,533,899	157,805	2,195,629	4,168,143	-	2,278,692	47
508.4		Invested in capital assets, net of related debt	-	11,939,025	3,685,985	(116,428)	537,625	-	606,746	1,264,360
511.4		Restricted Net Position - program reserves	6,786,009	-	-	-	11,887	-	-	-
512.4		Unrestricted Net Position	53,231	(101,498)	93,280	759,996	1,247,779	-	674,207	89,597
513		Total Equity/Net Position	6,839,240	11,837,527	3,779,265	643,568	1,797,291	-	1,280,953	1,353,957
600		Total Liabilities, Deferred Inflows of Resources and Equity/Net position	\$ 6,839,240	\$ 17,371,426	\$ 3,937,070	\$ 2,839,197	\$ 5,965,434	\$ -	\$ 3,559,645	\$ 1,354,004

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Project Totals December 31, 2019

Line Item	No.	Description	AMP9	AMP10	AMP11	AMP12	AMP13	AMP14	AMP15	AMP16
			TX005000009P	TX0050000010P	TX0050000011P	TX0050000012P	TX0050000013P	TX0050000014P	TX0050000015P	TX0050000016P
	312	Accounts payable <= 90 days	\$ 1,763	\$ 1,160	\$ 34,227	\$ 15,716	\$ 39,877	\$ 39,883	\$ 130,034	\$ 47
	322	Accrued compensated absences - current portion	840	900	-	-	-	-	-	-
	331	Accounts payable - HUD PHA Programs	-	-	60,650	-	15,145	-	250,427	-
	333	Accounts payable - other government	-	-	-	-	-	-	-	5,808
	341	Tenant security deposits	8,501	880	-	41,087	39,535	57,075	-	-
	342	Deferred revenue	145	-	-	4	62	1,039	-	-
		Current portion of long-term debt - capital projects/mortgage revenue								
	343	bonds	33,299	-	40,537	30,562	42,173	66,142	49,641	103,498
	345	Other current liabilities	-	-	-	963	-	3,682	-	-
	346	Accrued liabilities - other	2,573	2,755	409,066	80,018	67	41,128	42,844	-
	347	Inter program - due to	-	-	-	-	-	-	-	524,311
	310	Total Current Liabilities	47,121	5,695	544,480	168,350	136,859	208,949	472,946	633,664
	351	Capital Projects/ Mortgage Revenue Bonds	1,491,548	-	296,531	971,519	1,320,790	2,093,310	531,223	3,399,103
	353	Non-current liabilities - other	-	-	-	-	-	101	-	-
	354	Accrued compensated absences- Non-current	3,362	3,598	-	13,370	14,108	18,142	-	-
	350	Total Non-current liabilities	1,494,910	3,598	296,531	984,889	1,334,898	2,111,553	531,223	3,399,103
	300	Total Liabilities	1,542,031	9,293	841,011	1,153,239	1,471,757	2,320,502	1,004,169	4,032,767
	508.4	Invested in capital assets, net of related debt	443,820	124,884	1,433,506	2,294,842	1,049,082	1,475,923	1,512,453	2,425,176
	511.4	Restricted Net Position - program reserves	-	-	-	3,441	3,812	-	7	-
	512.4	Unrestricted Net Position	277,969	57,395	(283,411)	331,083	252,592	326,120	(121,233)	(283,321)
	513	Total Equity/Net Position	721,789	182,279	1,150,095	2,629,366	1,305,486	1,802,043	1,391,227	2,141,855
	600	Total Liabilities, Deferred Inflows of Resources and Equity/Net position	\$ 2,263,820	\$ 191,572	\$ 1,991,106	\$ 3,782,605	\$ 2,777,243	\$ 4,122,545	\$ 2,395,396	\$ 6,174,622

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP17	AMP18	AMP19	AMP20	AMP21	AMP22	Total Projects
		TX0050000017P	TX0050000018P	TX0050000019P	TX0050000020P	TX0050000021P	TX0050000022P	
312	Accounts payable <= 90 days	\$ 47	\$ 47	\$ 8,339	\$ -	\$ 386	\$ -	\$ 479,260
322	Accrued compensated absences - current portion	-	-	-	-	-	-	14,545
331	Accounts payable - HUD PHA Programs	-	-	-	-	-	-	331,082
333	Accounts payable - other government	-	-	-	-	-	-	5,808
341	Tenant security deposits	-	-	26,589	-	-	-	536,914
342	Deferred revenue	-	-	1,852	-	-	-	19,018
	Current portion of long-term debt - capital projects/mortgage revenue	30,188	53,912	24,151	-	-	-	816,993
343	bonds	-	-	-	2	-	-	26,383
345	Other current liabilities	275,635	-	9,429	-	-	-	2,374,715
346	Accrued liabilities - other	94,256	-	-	-	-	-	618,567
347	Inter program - due to	400,126	53,959	70,360	2	386	-	5,223,285
310	Total Current Liabilities							
351	Capital Projects/ Mortgage Revenue Bonds	-	903,350	767,720	-	-	-	23,568,914
353	Non-current liabilities - other	-	-	2,635	77,796	-	-	89,321
354	Accrued compensated absences- Non-current	-	-	7,252	-	-	-	111,050
350	Total Non-current liabilities	-	903,350	777,607	77,796	-	-	23,769,285
300	Total Liabilities	400,126	957,309	847,967	77,798	386	-	28,992,570
508.4	Invested in capital assets, net of related debt	1,341,117	1,014,908	5,860,724	6,000	81,280	8,154,380	45,135,408
511.4	Restricted Net Position - program reserves	-	5	-	-	-	-	6,805,161
512.4	Unrestricted Net Position	(358,803)	31,155	88,733	120,927	147,012	40,700	3,443,510
513	Total Equity/Net Position	982,314	1,046,068	5,949,457	126,927	228,292	8,195,080	55,384,079
600	Total Liabilities, Deferred Inflows of Resources and Equity/Net position	\$ 1,382,440	\$ 2,003,377	\$ 6,797,424	\$ 204,725	\$ 228,678	\$ 8,195,080	\$ 84,376,649

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 1			AMP 2			AMP 3		
		Operating Fund Program	Capital Fund Program	TX005000001P	Operating Fund Program	Capital Fund Program	TX005000002P	Operating Fund Program	Capital Fund Program	TX005000003P
70300	Net tenant rental revenue	-	-	-	1,107,670	-	1,107,670	130,496	-	130,496
70400	Tenant revenue - other	-	-	-	33,115	-	33,115	4,772	-	4,772
70500	Total Tenant Revenue	-	-	-	1,140,785	-	1,140,785	135,268	-	135,268
70600	HUD PHA operating grants	-	-	-	1,390,347	305,452	1,695,799	128,402	-	128,402
70610	Capital grants	-	-	-	-	290,586	290,586	-	55,905	55,905
71100	Investment income - unrestricted	-	-	-	183	-	183	10	-	10
71500	Other revenue	33,928	-	33,928	-	-	-	50	-	50
70000	Total Revenue	33,928	-	33,928	2,531,315	596,038	3,127,353	263,730	55,905	319,635
91100	Administrative salaries	-	-	-	167,459	30,892	198,351	19,226	-	19,226
91200	Auditing fees	-	-	-	7,092	-	7,092	1,020	-	1,020
91300	Management Fee	-	-	-	77,205	261,700	338,905	12,707	-	12,707
91310	Book-Keeping Fee	-	-	-	22,230	-	22,230	3,533	-	3,533
91400	Advertising and Marketing	-	-	-	30,522	-	30,522	3,075	-	3,075
91500	Employee benefit contributions - administrative	-	-	-	101,821	12,675	114,496	8,926	-	8,926
91600	Office Expenses	-	-	-	134,146	-	134,146	27,246	-	27,246
91700	Legal Expense	-	-	-	16,777	-	16,777	5,861	-	5,861
91800	Travel	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	-	-
91000	Total Operating-Administrative	-	-	-	557,252	305,267	862,519	81,594	-	81,594
92000	Asset Management Fee	-	-	-	-	-	-	4,800	-	4,800
92100	Tenant services - salaries	-	-	-	17,742	-	17,742	2,558	-	2,558
92300	Employee benefit contributions - tenant services	-	-	-	6,287	-	6,287	907	-	907
92400	Tenant services - other	-	-	-	5,502	-	5,502	151	-	151
92500	Total Tenant Services	-	-	-	29,531	-	29,531	3,616	-	3,616
93100	Water	-	-	-	228,650	-	228,650	-	-	-
93200	Electricity	-	-	-	56,318	-	56,318	985	-	985
93300	Gas	-	-	-	2,644	-	2,644	-	-	-
93000	Total Utilities	-	-	-	287,612	-	287,612	985	-	985
94100	Ordinary maintenance and operations - labor	-	-	-	192,640	-	192,640	14,462	-	14,462
94200	Ordinary maintenance and operations - materials and other	-	-	-	86,898	-	86,898	18,746	-	18,746
94300	Ordinary Maintenance and Operations Contracts	-	-	-	647,341	-	647,341	64,027	-	64,027
94500	Employee benefit contribution - ordinary maintenance	-	-	-	-	-	-	-	-	-
94000	Total Maintenance	-	-	-	926,879	-	926,879	97,235	-	97,235

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 4			AMP 5			AMP 6			AMP 7		
		Operating Fund Program	Capital Fund Program	TX005000004P	Operating Fund Program	Capital Fund Program	TX005000005P	Operating Fund Program	Capital Fund Program	TX005000006P	Operating Fund Program	Capital Fund Program	TX005000007P
70300	Net tenant rental revenue												
70400	Tenant revenue - other												
70500	Total Tenant Revenue	699,379	-	699,379	1,386,375	-	1,386,375	-	-	-	946,871	-	946,871
		68,150	-	68,150	109,646	-	109,646	-	-	-	38,935	-	38,935
		767,529	-	767,529	1,496,021	-	1,496,021	-	-	-	985,806	-	985,806
70600	HUD PHA operating grants												
		1,515,456	91,961	1,607,417	2,741,250	180,421	2,921,671	-	-	-	1,616,538	-	1,616,538
70610	Capital grants												
		-	130,833	130,833	-	99,591	99,591	-	-	-	-	25,555	25,555
71100	Investment income - unrestricted												
71500	Other revenue	82	-	82	-	-	-	-	-	-	96	-	96
70000	Total Revenue	966	-	966	-	-	-	-	-	-	2,008	-	2,008
		2,284,033	222,794	2,506,827	4,237,271	280,012	4,517,283	-	-	-	2,604,448	25,555	2,630,003
91100	Administrative salaries												
91200	Auditing fees	276,764	-	276,764	458,648	29,577	488,225	-	-	-	291,736	-	291,736
91300	Management Fee	7,551	-	7,551	15,231	-	15,231	-	-	-	8,087	-	8,087
91310	Book-Keeping Fee	59,602	91,961	151,563	177,019	138,532	315,551	-	-	-	102,169	-	102,169
91400	Advertising and Marketing	16,208	-	16,208	51,525	-	51,525	-	-	-	27,338	-	27,338
91500	Employee benefit contributions - administrative	56,613	-	56,613	101,870	-	101,870	-	-	-	30,771	-	30,771
91600	Office Expenses	50,929	-	50,929	216,512	12,135	228,647	-	-	-	58,217	-	58,217
91700	Legal Expense	82,294	-	82,294	248,272	-	248,272	-	-	-	132,716	-	132,716
91800	Travel	43,942	-	43,942	3,683	-	3,683	-	-	-	1,214	-	1,214
91900	Other	30	-	30	300	-	300	-	-	-	155	-	155
91000	Total Operating-Administrative	-	-	-	-	-	-	-	-	-	2,008	-	2,008
		593,933	91,961	685,894	1,273,060	180,244	1,453,304	-	-	-	654,411	-	654,411
92000	Asset Management Fee												
		35,520	-	35,520	71,160	-	71,160	-	-	-	38,160	-	38,160
92100	Tenant services - salaries												
92300	Employee benefit contributions - tenant services	18,913	-	18,913	37,898	-	37,898	-	-	-	20,318	-	20,318
92400	Tenant services - other	6,702	-	6,702	13,430	-	13,430	-	-	-	7,200	-	7,200
92500	Total Tenant Services	3,519	-	3,519	21,932	-	21,932	-	-	-	3,901	-	3,901
		29,134	-	29,134	73,260	-	73,260	-	-	-	31,419	-	31,419
93100	Water												
93200	Electricity	84,296	-	84,296	329,885	-	329,885	-	-	-	163,478	-	163,478
93300	Gas	100,032	-	100,032	263,091	-	263,091	-	-	-	80,387	-	80,387
93000	Total Utilities	39,202	-	39,202	95,496	-	95,496	-	-	-	45,455	-	45,455
		223,530	-	223,530	688,472	-	688,472	-	-	-	289,320	-	289,320
94100	Ordinary maintenance and operations - labor												
94200	Ordinary maintenance and operations - materials and other	189,206	-	189,206	554,506	-	554,506	-	-	-	185,659	-	185,659
94300	Ordinary Maintenance and Operations Contracts	115,883	-	115,883	398,252	-	398,252	-	-	-	140,742	-	140,742
94500	Employee benefit contribution - ordinary maintenance	637,218	-	637,218	1,250,618	-	1,250,618	-	-	-	475,339	-	475,339
94000	Total Maintenance	17,734	-	17,734	-	-	-	-	-	-	25,971	-	25,971
		960,041	-	960,041	2,203,376	-	2,203,376	-	-	-	827,711	-	827,711

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 8			AMP 9			AMP 10			AMP 11		
		Operating Fund Program	Capital Fund Program	TX005000008P	Operating Fund Program	Capital Fund Program	TX005000009P	Operating Fund Program	Capital Fund Program	TX005000010P	Operating Fund Program	Capital Fund Program	TX005000011P
70300	Net tenant rental revenue	-	-	-	67,943	-	67,943	-	-	-	-	-	-
70400	Tenant revenue - other	-	-	-	761	-	761	-	-	-	-	-	-
70500	Total Tenant Revenue	-	-	-	68,704	-	68,704	-	-	-	-	-	-
70600	HUD PHA operating grants	403,691	-	403,691	663,755	-	663,755	-	-	-	409,883	-	409,883
70610	Capital grants	-	-	-	-	9,300	9,300	-	-	-	-	127,732	127,732
71100	Investment income - unrestricted	-	-	-	52	-	52	-	-	-	161	-	161
71500	Other revenue	-	-	-	151	-	151	-	-	-	-	-	-
70000	Total Revenue	403,691	-	403,691	732,662	9,300	741,962	-	-	-	410,044	127,732	537,776
91100	Administrative salaries	-	-	-	56,436	-	56,436	25,063	-	25,063	-	-	-
91200	Auditing fees	-	-	-	2,551	-	2,551	2,755	-	2,755	-	-	-
91300	Management Fee	16,760	-	16,760	5,269	-	5,269	-	-	-	33,814	-	33,814
91310	Book-Keeping Fee	4,703	-	4,703	1,410	-	1,410	-	-	-	9,488	-	9,488
91400	Advertising and Marketing	-	-	-	7,090	-	7,090	3,418	-	3,418	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	13,539	-	13,539	9,486	-	9,486	-	-	-
91600	Office Expenses	2,100	-	2,100	22,480	-	22,480	2,066	-	2,066	6,469	-	6,469
91700	Legal Expense	-	-	-	-	-	-	-	-	-	-	-	-
91800	Travel	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	101	-	101	-	-	-	-	-	-
91000	Total Operating-Administrative	23,563	-	23,563	108,876	-	108,876	42,788	-	42,788	49,771	-	49,771
92000	Asset Management Fee	6,360	-	6,360	12,000	-	12,000	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	6,395	-	6,395	6,845	-	6,845	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	2,266	-	2,266	2,426	-	2,426	-	-	-
92400	Tenant services - other	-	-	-	376	-	376	402	-	402	-	-	-
92500	Total Tenant Services	-	-	-	9,037	-	9,037	9,673	-	9,673	-	-	-
93100	Water	-	-	-	27,057	-	27,057	-	-	-	-	-	-
93200	Electricity	-	-	-	3,109	-	3,109	-	-	-	-	-	-
93300	Gas	-	-	-	-	-	-	-	-	-	-	-	-
93000	Total Utilities	-	-	-	30,166	-	30,166	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	-	-	-	31,422	-	31,422	-	-	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	-	-	-	4,852	-	4,852	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations Contracts	-	-	-	87,083	-	87,083	5,464	-	5,464	-	-	-
94500	Employee benefit contribution - ordinary maintenance	-	-	-	4,481	-	4,481	-	-	-	-	-	-
94000	Total Maintenance	-	-	-	127,838	-	127,838	5,464	-	5,464	-	-	-

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 12			AMP 13			AMP 14			AMP 15		
		Operating Fund Program	Capital Fund Program	TX0050000012P	Operating Fund Program	Capital Fund Program	TX0050000013P	Operating Fund Program	Capital Fund Program	TX0050000014P	Operating Fund Program	Capital Fund Program	TX0050000015P
70300	Net tenant rental revenue												
70400	Tenant revenue - other	578,565	-	578,565	598,402	-	598,402	763,852	-	763,852	-	-	-
70500	Total Tenant Revenue	4,268	-	4,268	2,993	-	2,993	34,104	-	34,104	-	-	-
		582,833	-	582,833	601,395	-	601,395	797,956	-	797,956	-	-	-
70600	HUD PHA operating grants												
		711,158	-	711,158	751,996	-	751,996	1,408,928	-	1,408,928	1,183,883	-	1,183,883
70610	Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
		-	11,087	11,087	-	4,655	4,655	-	51,990	51,990	-	(9,945)	(9,945)
71100	Investment income - unrestricted												
71500	Other revenue	47	-	47	65	-	65	103	-	103	7	-	7
70000	Total Revenue	-	-	-	-	-	-	-	-	-	-	-	-
		1,294,038	11,087	1,305,125	1,353,456	4,655	1,358,111	2,206,987	51,990	2,258,977	1,183,890	(9,945)	1,173,945
91100	Administrative salaries	188,195	-	188,195	168,628	-	168,628	258,898	-	258,898	-	-	-
91200	Auditing fees	5,102	-	5,102	5,380	-	5,380	8,495	-	8,495	-	-	-
91300	Management Fee	66,431	-	66,431	69,234	-	69,234	88,014	-	88,014	73,332	-	73,332
91310	Book-Keeping Fee	17,775	-	17,775	18,525	-	18,525	23,550	-	23,550	20,385	-	20,385
91400	Advertising and Marketing	22,322	-	22,322	31,728	-	31,728	64,274	-	64,274	-	-	-
91500	Employee benefit contributions - administrative	32,876	-	32,876	33,758	-	33,758	48,024	-	48,024	-	-	-
91600	Office Expenses	84,372	-	84,372	91,955	-	91,955	117,987	-	117,987	8,804	-	8,804
91700	Legal Expense	-	-	-	4,929	-	4,929	1,700	-	1,700	-	-	-
91800	Travel	418	-	418	-	-	-	90	-	90	-	-	-
91900	Other	-	-	-	-	-	-	-	-	-	-	-	-
91000	Total Operating-Administrative	417,491	-	417,491	424,137	-	424,137	611,032	-	611,032	102,521	-	102,521
92000	Asset Management Fee	23,880	-	23,880	25,200	-	25,200	32,400	-	32,400	27,600	-	27,600
92100	Tenant services - salaries	12,717	-	12,717	13,419	-	13,419	17,256	-	17,256	-	-	-
92300	Employee benefit contributions - tenant services	4,507	-	4,507	4,756	-	4,756	6,115	-	6,115	-	-	-
92400	Tenant services - other	762	-	762	173	-	173	2,783	-	2,783	-	-	-
92500	Total Tenant Services	17,986	-	17,986	18,348	-	18,348	26,154	-	26,154	-	-	-
93100	Water	43,552	-	43,552	79,837	-	79,837	130,021	-	130,021	-	-	-
93200	Electricity	92,187	-	92,187	153,672	-	153,672	115,592	-	115,592	-	-	-
93300	Gas	8,192	-	8,192	8,833	-	8,833	52,578	-	52,578	-	-	-
93000	Total Utilities	143,931	-	143,931	242,342	-	242,342	298,191	-	298,191	-	-	-
94100	Ordinary maintenance and operations - labor	105,496	-	105,496	100,506	-	100,506	166,989	-	166,989	-	-	-
94200	Ordinary maintenance and operations - materials and other	85,191	-	85,191	49,175	-	49,175	117,896	-	117,896	-	-	-
94300	Ordinary Maintenance and Operations Contracts	205,394	-	205,394	128,734	-	128,734	847,292	-	847,292	4,855	-	4,855
94500	Employee benefit contribution - ordinary maintenance	14,714	-	14,714	15,017	-	15,017	16,805	-	16,805	-	-	-
94000	Total Maintenance	410,795	-	410,795	293,432	-	293,432	1,148,982	-	1,148,982	4,855	-	4,855

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 16			AMP 17			AMP 18			AMP 19		
		Operating Fund Program	Capital Fund Program	TX0050000016P	Operating Fund Program	Capital Fund Program	TX0050000017P	Operating Fund Program	Capital Fund Program	TX0050000018P	Operating Fund Program	Capital Fund Program	TX0050000019P
70300	Net tenant rental revenue	-	-	-	-	-	-	-	-	-	382,592	-	382,592
70400	Tenant revenue - other	-	-	-	-	-	-	-	-	-	13,760	-	13,760
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	-	396,352	-	396,352
70600	HUD PHA operating grants	760,177	272,931	1,033,108	409,680	-	409,680	929,480	-	929,480	387,437	-	387,437
70610	Capital grants	-	25,771	25,771	-	28,822	28,822	-	-	-	-	-	-
71100	Investment income - unrestricted	160	-	160	131	-	131	5	-	5	37	-	37
71500	Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	760,337	298,702	1,059,039	409,811	28,822	438,633	929,485	-	929,485	783,826	-	783,826
91100	Administrative salaries	765	16,353	17,118	-	-	-	-	-	-	114,632	-	114,632
91200	Auditing fees	-	-	-	-	-	-	-	-	-	2,755	-	2,755
91300	Management Fee	66,566	249,771	316,337	32,133	-	32,133	64,024	-	64,024	33,488	-	33,488
91310	Book-Keeping Fee	19,215	-	19,215	8,933	-	8,933	17,797	-	17,797	9,668	-	9,668
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	31,202	-	31,202
91500	Employee benefit contributions - administrative	-	6,709	6,709	-	-	-	-	-	-	47,797	-	47,797
91600	Office Expenses	17,797	-	17,797	4,885	-	4,885	9,518	-	9,518	62,459	-	62,459
91700	Legal Expense	-	-	-	-	-	-	-	-	-	149	-	149
91800	Travel	-	-	-	-	-	-	-	-	-	20	-	20
91900	Other	-	-	-	-	-	-	-	-	-	-	-	-
91000	Total Operating-Administrative	104,343	272,833	377,176	45,951	-	45,951	91,339	-	91,339	302,170	-	302,170
92000	Asset Management Fee	-	-	-	-	-	-	24,000	-	24,000	12,960	-	12,960
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	6,899	-	6,899
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	2,445	-	2,445
92400	Tenant services - other	-	-	-	-	-	-	-	-	-	5,582	-	5,582
92500	Total Tenant Services	-	-	-	-	-	-	-	-	-	14,926	-	14,926
93100	Water	-	-	-	-	-	-	-	-	-	60,126	-	60,126
93200	Electricity	41,210	-	41,210	-	-	-	-	-	-	9,716	-	9,716
93300	Gas	1,709	-	1,709	-	-	-	-	-	-	1,231	-	1,231
93000	Total Utilities	42,919	-	42,919	-	-	-	-	-	-	71,073	-	71,073
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	-	-	-	-	79,309	-	79,309
94200	Ordinary maintenance and operations - materials and other	-	-	-	-	-	-	-	-	-	67,854	-	67,854
94300	Ordinary Maintenance and Operations Contracts	-	-	-	-	-	-	-	-	-	230,658	-	230,658
94500	Employee benefit contribution - ordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-
94000	Total Maintenance	-	-	-	-	-	-	-	-	-	377,821	-	377,821

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 20			AMP 21			AMP 22			Total Projects
		Operating Fund Program	Capital Fund Program	TX0050000020P	Operating Fund Program	Capital Fund Program	TX0050000021P	Operating Fund Program	Capital Fund Program	TX0050000022P	
70300	Net tenant rental revenue	-	-	-	-	-	-	-	-	-	6,662,145
70400	Tenant revenue - other	2,093	-	2,093	-	-	-	-	-	-	312,597
70500	Total Tenant Revenue	2,093	-	2,093	-	-	-	-	-	-	6,974,742
70600	HUD PHA operating grants	-	-	-	158,940	-	158,940	-	-	-	16,421,766
70610	Capital grants	-	-	-	-	-	-	-	-	-	851,882
71100	Investment income - unrestricted	-	-	-	-	-	-	-	-	-	1,139
71500	Other revenue	82,110	-	82,110	63,340	-	63,340	-	-	-	182,553
70000	Total Revenue	84,203	-	84,203	222,280	-	222,280	-	-	-	24,432,082
91100	Administrative salaries	-	-	-	-	-	-	-	-	-	2,103,272
91200	Auditing fees	-	-	-	-	-	-	-	-	-	66,019
91300	Management Fee	-	-	-	-	-	-	-	-	-	1,719,731
91310	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	272,283
91400	Advertising and Marketing	-	-	-	4,704	-	4,704	-	-	-	387,589
91500	Employee benefit contributions - administrative	-	-	-	-	-	-	-	-	-	653,404
91600	Office Expenses	-	-	-	-	-	-	-	-	-	1,055,566
91700	Legal Expense	-	-	-	-	-	-	-	-	-	78,255
91800	Travel	-	-	-	-	-	-	-	-	-	1,013
91900	Other	-	-	-	-	-	-	-	-	-	2,109
91000	Total Operating-Administrative	-	-	-	4,704	-	4,704	-	-	-	6,339,241
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	314,040
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	160,960
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	57,041
92400	Tenant services - other	-	-	-	-	-	-	-	-	-	45,083
92500	Total Tenant Services	-	-	-	-	-	-	-	-	-	263,084
93100	Water	-	-	-	-	-	-	-	-	-	1,146,902
93200	Electricity	-	-	-	-	-	-	-	-	-	916,299
93300	Gas	-	-	-	-	-	-	-	-	-	255,340
93000	Total Utilities	-	-	-	-	-	-	-	-	-	2,318,541
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	-	-	-	-	1,620,195
94200	Ordinary maintenance and operations - materials and other	-	-	-	-	-	-	-	-	-	1,085,489
94300	Ordinary Maintenance and Operations Contracts	-	-	-	2,642	-	2,642	-	-	-	4,586,665
94500	Employee benefit contribution - ordinary maintenance	-	-	-	-	-	-	-	-	-	94,722
94000	Total Maintenance	-	-	-	2,642	-	2,642	-	-	-	7,387,071

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 1			AMP 2			AMP 3		
		Operating Fund Program	Capital Fund Program	TX005000001P	Operating Fund Program	Capital Fund Program	TX005000002P	Operating Fund Program	Capital Fund Program	TX005000003P
95200	Protective services - other contract costs	-	-	-	140,761	-	140,761	-	-	-
95000	Total Protective Services	-	-	-	140,761	-	140,761	-	-	-
96110	Property Insurance	-	-	-	131,724	-	131,724	8,736	-	8,736
96120	Liability Insurance	-	-	-	18,717	-	18,717	5,650	-	5,650
96130	Workmen's Compensation	-	-	-	19,634	185	19,819	1,466	-	1,466
96140	All other Insurance	-	-	-	5,485	-	5,485	-	-	-
96100	Total Insurance Premiums	-	-	-	175,560	185	175,745	15,852	-	15,852
96200	Other general expenses	-	-	-	-	-	-	630	-	630
96210	Compensated absences	-	-	-	11,658	-	11,658	1,680	-	1,680
96400	Bad debt - tenant rents	-	-	-	45,831	-	45,831	4,021	-	4,021
96000	Total Other General Expenses	-	-	-	57,489	-	57,489	6,331	-	6,331
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	343,151	-	343,151	5,980	-	5,980
96700	Interest expense and Amortization cost	-	-	-	343,151	-	343,151	5,980	-	5,980
96900	Total Operating Expenses	-	-	-	2,518,235	305,452	2,823,687	216,393	-	216,393
97000	Excess Revenue Over Operating Expenses	33,928	-	33,928	13,080	290,586	303,666	47,337	55,905	103,242
97200	Casualty losses- Non-capitalized	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	1,055,355	-	1,055,355	173,605	-	173,605
90000	Total Expenses	-	-	-	3,573,590	305,452	3,879,042	389,998	-	389,998
10091	Inter AMP Excess Cash Transfer In	-	-	-	-	-	-	-	-	-
10092	Inter AMP Excess Cash Transfer Out	(130,000)	-	(130,000)	-	-	-	(450,000)	-	(450,000)
10100	Total other financing sources (uses)	(130,000)	-	(130,000)	-	-	-	(450,000)	-	(450,000)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (96,072)	\$ -	\$ (96,072)	\$ (1,042,275)	\$ 290,586	\$ (751,689)	\$ (576,268)	\$ 55,905	\$ (520,363)
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-
11030	Beginning equity	6,935,312	-	6,935,312	12,589,216	-	12,589,216	4,299,628	-	4,299,628
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	290,586	(290,586)	-	55,905	(55,905)	-
11190	Unit Months Available	-	-	-	3,036	-	3,036	480	-	480
11210	Unit Months Leased	-	-	-	2,964	-	2,964	471	-	471
11270	Excess Cash	53,219	-	53,219	(463,356)	-	(463,356)	70,427	-	70,427
11610	Land Purchases	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	290,586	290,586	-	55,905	55,905
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 4			AMP 5			AMP 6			AMP 7		
		Operating Fund Program	Capital Fund Program	TX005000004P	Operating Fund Program	Capital Fund Program	TX005000005P	Operating Fund Program	Capital Fund Program	TX005000006P	Operating Fund Program	Capital Fund Program	TX005000007P
95200	Protective services - other contract costs	148,340	-	148,340	331,041	-	331,041	-	-	-	164,167	-	164,167
95000	Total Protective Services	148,340	-	148,340	331,041	-	331,041	-	-	-	164,167	-	164,167
96110	Property Insurance	59,827	-	59,827	122,662	-	122,662	-	-	-	51,625	-	51,625
96120	Liability Insurance	1,412	-	1,412	2,825	-	2,825	-	-	-	1,412	-	1,412
96130	Workmen's Compensation	6,832	-	6,832	49,652	177	49,829	-	-	-	8,473	-	8,473
96140	All other Insurance	-	-	-	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	68,071	-	68,071	175,139	177	175,316	-	-	-	61,510	-	61,510
96200	Other general expenses	-	-	-	1,000	-	1,000	-	-	-	2,969	-	2,969
96210	Compensated absences	12,428	-	12,428	24,903	-	24,903	-	-	-	13,351	-	13,351
96400	Bad debt - tenant rents	61,836	-	61,836	89,068	-	89,068	-	-	-	6,895	-	6,895
96000	Total Other General Expenses	74,264	-	74,264	114,971	-	114,971	-	-	-	23,215	-	23,215
96710	Interest of Mortgage (or Bonds) Payable	51,460	-	51,460	100,762	-	100,762	-	-	-	59,846	-	59,846
96700	Interest expense and Amortization cost	51,460	-	51,460	100,762	-	100,762	-	-	-	59,846	-	59,846
96900	Total Operating Expenses	2,184,293	91,961	2,276,254	5,031,241	180,421	5,211,662	-	-	-	2,149,759	-	2,149,759
97000	Excess Revenue Over Operating Expenses	99,740	130,833	230,573	(793,970)	99,591	(694,379)	-	-	-	454,689	25,555	480,244
97200	Casualty losses- Non-capitalized	-	-	-	108,060	-	108,060	-	-	-	-	-	-
97400	Depreciation expense	476,185	-	476,185	440,215	-	440,215	-	-	-	628,455	-	628,455
90000	Total Expenses	2,660,478	91,961	2,752,439	5,579,516	180,421	5,759,937	-	-	-	2,778,214	-	2,778,214
10091	Inter AMP Excess Cash Transfer In	-	-	-	800,000	-	800,000	-	-	-	-	-	-
10092	Inter AMP Excess Cash Transfer Out	(400,000)	-	(400,000)	-	-	-	-	-	-	(440,000)	-	(440,000)
10100	Total other financing sources (uses)	(400,000)	-	(400,000)	800,000	-	800,000	-	-	-	(440,000)	-	(440,000)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (776,445)	\$ 130,833	\$ (645,612)	\$ (542,245)	\$ 99,591	\$ (442,654)	\$ -	\$ -	\$ -	\$ (613,766)	\$ 25,555	\$ (588,211)
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning equity	887,297	-	887,297	2,239,945	-	2,239,945	-	-	-	1,871,172	-	1,871,172
11040	Prior period adjustments, equity transfers, and correction of errors	532,716	(130,833)	401,883	99,591	(99,591)	-	-	-	-	23,547	(25,555)	(2,008)
11190	Unit Months Available	2,208	-	2,208	7,037	-	7,037	-	-	-	3,696	-	3,696
11210	Unit Months Leased	2,161	-	2,161	6,870	-	6,870	-	-	-	3,645	-	3,645
11270	Excess Cash	195,254	-	195,254	741,689	-	741,689	-	-	-	447,241	-	447,241
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	130,833	130,833	-	99,591	99,591	-	-	-	-	25,555	25,555
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 8			AMP 9			AMP 10			AMP 11		
		Operating Fund Program	Capital Fund Program	TX005000008P	Operating Fund Program	Capital Fund Program	TX005000009P	Operating Fund Program	Capital Fund Program	TX0050000010P	Operating Fund Program	Capital Fund Program	TX0050000011P
95200	Protective services - other contract costs	-	-	-	51,060	-	51,060	53,771	-	53,771	-	-	-
95000	Total Protective Services	-	-	-	51,060	-	51,060	53,771	-	53,771	-	-	-
96110	Property Insurance	-	-	-	16,272	-	16,272	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	1,412	-	1,412	-	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	3,439	-	3,439	295	-	295	-	-	-
96140	All other Insurance	-	-	-	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	-	-	-	21,123	-	21,123	295	-	295	-	-	-
96200	Other general expenses	309,997	-	309,997	22	-	22	-	-	-	299,999	-	299,999
96210	Compensated absences	-	-	-	4,201	-	4,201	4,497	-	4,497	-	-	-
96400	Bad debt - tenant rents	-	-	-	(1,234)	-	(1,234)	-	-	-	-	-	-
96000	Total Other General Expenses	309,997	-	309,997	2,989	-	2,989	4,497	-	4,497	299,999	-	299,999
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	32,299	-	32,299	-	-	-	34,845	-	34,845
96700	Interest expense and Amortization cost	-	-	-	32,299	-	32,299	-	-	-	34,845	-	34,845
96900	Total Operating Expenses	339,920	-	339,920	395,388	-	395,388	116,488	-	116,488	384,615	-	384,615
97000	Excess Revenue Over Operating Expenses	63,771	-	63,771	337,274	9,300	346,574	(116,488)	-	(116,488)	25,429	127,732	153,161
97200	Casualty losses- Non-capitalized	-	-	-	44,405	-	44,405	-	-	-	-	-	-
97400	Depreciation expense	12,320	-	12,320	178,215	-	178,215	-	-	-	70,095	-	70,095
90000	Total Expenses	352,240	-	352,240	618,008	-	618,008	116,488	-	116,488	454,710	-	454,710
10091	Inter AMP Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	375,000	-	375,000
10092	Inter AMP Excess Cash Transfer Out	(30,000)	-	(30,000)	(300,000)	-	(300,000)	-	-	-	-	-	-
10100	Total other financing sources (uses)	(30,000)	-	(30,000)	(300,000)	-	(300,000)	-	-	-	375,000	-	375,000
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ 21,451	\$ -	\$ 21,451	\$ (185,346)	\$ 9,300	\$ (176,046)	\$ (116,488)	\$ -	\$ (116,488)	\$ 330,334	\$ 127,732	\$ 458,066
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	50,000
11030	Beginning equity	1,332,506	-	1,332,506	897,986	-	897,986	298,767	-	298,767	692,029	-	692,029
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	9,149	(9,300)	(151)	-	-	-	127,732	(127,732)	-
11190	Unit Months Available	636	-	636	234	-	234	-	-	-	1,296	-	1,296
11210	Unit Months Leased	626	-	626	188	-	188	-	-	-	1,265	-	1,265
11270	Excess Cash	61,270	-	61,270	179,004	-	179,004	51,286	-	51,286	(355,999)	-	(355,999)
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	9,300	9,300	-	-	-	-	127,732	127,732
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 12			AMP 13			AMP 14			AMP 15		
		Operating Fund Program	Capital Fund Program	TX0050000012P	Operating Fund Program	Capital Fund Program	TX0050000013P	Operating Fund Program	Capital Fund Program	TX0050000014P	Operating Fund Program	Capital Fund Program	TX0050000015P
95200	Protective services - other contract costs	70,897	-	70,897	72,474	-	72,474	170,839	-	170,839	-	-	-
95000	Total Protective Services	70,897	-	70,897	72,474	-	72,474	170,839	-	170,839	-	-	-
96110	Property Insurance	37,446	-	37,446	39,314	-	39,314	48,903	-	48,903	-	-	-
96120	Liability Insurance	1,412	-	1,412	1,412	-	1,412	1,412	-	1,412	-	-	-
96130	Workmen's Compensation	5,081	-	5,081	4,888	-	4,888	7,792	-	7,792	-	-	-
96140	All other Insurance	-	-	-	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	43,939	-	43,939	45,614	-	45,614	58,107	-	58,107	-	-	-
96200	Other general expenses	-	-	-	556	-	556	2,946	-	2,946	939,902	-	939,902
96210	Compensated absences	8,356	-	8,356	8,818	-	8,818	11,339	-	11,339	-	-	-
96400	Bad debt - tenant rents	1,913	-	1,913	2,868	-	2,868	11,908	-	11,908	-	-	-
96000	Total Other General Expenses	10,269	-	10,269	12,242	-	12,242	26,193	-	26,193	939,902	-	939,902
96710	Interest of Mortgage (or Bonds) Payable	29,644	-	29,644	40,906	-	40,906	64,155	-	64,155	8,229	-	8,229
96700	Interest expense and Amortization cost	29,644	-	29,644	40,906	-	40,906	64,155	-	64,155	8,229	-	8,229
96900	Total Operating Expenses	1,168,832	-	1,168,832	1,174,695	-	1,174,695	2,436,053	-	2,436,053	1,083,107	-	1,083,107
97000	Excess Revenue Over Operating Expenses	125,206	11,087	136,293	178,761	4,655	183,416	(229,066)	51,990	(177,076)	100,783	(9,945)	90,838
97200	Casualty losses- Non-capitalized	20,465	-	20,465	-	-	-	(4,898)	-	(4,898)	-	-	-
97400	Depreciation expense	656,352	-	656,352	912,041	-	912,041	709,038	-	709,038	98,826	-	98,826
90000	Total Expenses	1,845,649	-	1,845,649	2,086,736	-	2,086,736	3,140,193	-	3,140,193	1,181,933	-	1,181,933
10091	Inter AMP Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	750,000	-	750,000
10092	Inter AMP Excess Cash Transfer Out	-	-	-	(75,000)	-	(75,000)	(700,000)	-	(700,000)	-	-	-
10100	Total other financing sources (uses)	-	-	-	(75,000)	-	(75,000)	(700,000)	-	(700,000)	750,000	-	750,000
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (551,611)	\$ 11,087	\$ (540,524)	\$ (808,280)	\$ 4,655	\$ (803,625)	\$ (1,633,206)	\$ 51,990	\$ (1,581,216)	\$ 751,957	\$ (9,945)	\$ 742,012
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning equity	3,169,890		3,169,890	2,109,111		2,109,111	3,383,259		3,383,259	649,215		649,215
11040	Prior period adjustments, equity transfers, and correction of errors	11,087	(11,087)	-	4,655	(4,655)	-	51,990	(51,990)	-	(9,945)	9,945	-
11190	Unit Months Available	2,388	-	2,388	2,520	-	2,520	3,219	-	3,219	2,760	-	2,760
11210	Unit Months Leased	2,370	-	2,370	2,470	-	2,470	3,140	-	3,140	2,669	-	2,669
11270	Excess Cash	219,929	-	219,929	130,448	-	130,448	75,217	-	75,217	(261,133)	-	(261,133)
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	1,300	1,300	-	4,655	4,655	-	51,990	51,990	-	-	-
11630	Furniture & Equipment-Dwelling Purchases	-	9,787	9,787	-	-	-	-	-	-	-	-	-

See independent auditor's report

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 16			AMP 17			AMP 18			AMP 19		
		Operating Fund Program	Capital Fund Program	TX0050000016P	Operating Fund Program	Capital Fund Program	TX0050000017P	Operating Fund Program	Capital Fund Program	TX0050000018P	Operating Fund Program	Capital Fund Program	TX0050000019P
95200	Protective services - other contract costs	-	-	-	-	-	-	-	-	-	63,685	-	63,685
95000	Total Protective Services	-	-	-	-	-	-	-	-	-	63,685	-	63,685
96110	Property Insurance	-	-	-	-	-	-	-	-	-	23,567	-	23,567
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	1,412	-	1,412
96130	Workmen's Compensation	73	98	171	-	-	-	-	-	-	10,614	-	10,614
96140	All other Insurance	-	-	-	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	73	98	171	-	-	-	-	-	-	35,593	-	35,593
96200	Other general expenses	760,177	-	760,177	325,572	-	325,572	769,012	-	769,012	-	-	-
96210	Compensated absences	-	-	-	-	-	-	-	-	-	4,533	-	4,533
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	8,599	-	8,599
96000	Total Other General Expenses	760,177	-	760,177	325,572	-	325,572	769,012	-	769,012	13,132	-	13,132
96710	Interest of Mortgage (or Bonds) Payable	33,463	-	33,463	25,749	-	25,749	77,976	-	77,976	23,794	-	23,794
96700	Interest expense and Amortization cost	33,463	-	33,463	25,749	-	25,749	77,976	-	77,976	23,794	-	23,794
96900	Total Operating Expenses	940,975	272,931	1,213,906	397,272	-	397,272	962,327	-	962,327	915,154	-	915,154
97000	Excess Revenue Over Operating Expenses	(180,638)	25,771	(154,867)	12,539	28,822	41,361	(32,842)	-	(32,842)	(131,328)	-	(131,328)
97200	Casualty losses- Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	359,717	-	359,717	54,465	-	54,465	106,916	-	106,916	487,271	-	487,271
90000	Total Expenses	1,300,692	272,931	1,573,623	451,737	-	451,737	1,069,243	-	1,069,243	1,402,425	-	1,402,425
10091	Inter AMP Excess Cash Transfer In	-	-	-	-	-	-	550,000	-	550,000	50,000	-	50,000
10092	Inter AMP Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	550,000	-	550,000	50,000	-	50,000
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (540,355)	\$ 25,771	\$ (514,584)	\$ (41,926)	\$ 28,822	\$ (13,104)	\$ 410,242	\$ -	\$ 410,242	\$ (568,599)	\$ -	\$ (568,599)
11020	Required Annual Debt Principal Payments	-	-	-	-	-	342,279	-	-	-	-	-	-
11030	Beginning equity	2,656,439	-	2,656,439	995,418	-	995,418	635,826	-	635,826	-	6,518,056	6,518,056
11040	Prior period adjustments, equity transfers, and correction of errors	25,771	(25,771)	-	28,822	(28,822)	-	-	-	-	-	-	-
11190	Unit Months Available	2,664	-	2,664	1,200	-	1,200	2,400	-	2,400	1,296	-	1,296
11210	Unit Months Leased	2,562	-	2,562	1,191	-	1,191	2,373	-	2,373	1,289	-	1,289
11270	Excess Cash	(647,915)	-	(647,915)	(394,761)	-	(394,761)	(102,951)	-	(102,951)	(1,794)	-	(1,794)
11610	Land Purchases	-	-	-	-	28,822	28,822	-	-	-	-	-	-
11620	Building Purchases	-	25,771	25,771	-	-	-	-	-	-	-	-	-
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-

Houston Housing Authority

Financial Data Schedule - Statement of Revenues, Expenses and Changes in Net Position Accounts

Project Totals December 31, 2019

Line Item No.	Description	AMP 20			AMP 21			AMP 22			Total Projects
		Operating Fund Program	Capital Fund Program	TX0050000020P	Operating Fund Program	Capital Fund Program	TX0050000021P	Operating Fund Program	Capital Fund Program	TX0050000022P	
95200	Protective services - other contract costs	-	-	-	-	-	-	-	-	-	1,267,035
95000	Total Protective Services	-	-	-	-	-	-	-	-	-	1,267,035
96110	Property Insurance	-	-	-	533	-	533	-	-	-	540,609
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	37,076
96130	Workmen's Compensation	-	-	-	-	-	-	-	-	-	118,699
96140	All other Insurance	-	-	-	-	-	-	-	-	-	5,485
96100	Total Insurance Premiums	-	-	-	533	-	533	-	-	-	701,869
96200	Other general expenses	-	-	-	-	-	-	-	-	-	3,412,782
96210	Compensated absences	-	-	-	-	-	-	-	-	-	105,764
96400	Bad debt - tenant rents	635	-	635	1,496	-	1,496	-	-	-	233,836
96000	Total Other General Expenses	635	-	635	1,496	-	1,496	-	-	-	3,752,382
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	932,259
96700	Interest expense and Amortization cost	-	-	-	-	-	-	-	-	-	932,259
96900	Total Operating Expenses	635	-	635	9,375	-	9,375	-	-	-	23,275,522
97000	Excess Revenue Over Operating Expenses	83,568	-	83,568	212,905	-	212,905	-	-	-	1,156,560
97200	Casualty losses- Non-capitalized	-	-	-	-	-	-	-	-	-	168,032
97400	Depreciation expense	-	-	-	-	-	-	-	-	-	6,419,071
90000	Total Expenses	635	-	635	9,375	-	9,375	-	-	-	29,862,625
10091	Inter AMP Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	2,525,000
10092	Inter AMP Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	(2,525,000)
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ 83,568	\$ -	\$ 83,568	\$ 212,905	\$ -	\$ 212,905	\$ -	\$ -	\$ -	\$ (5,430,543)
11020	Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	392,279
11030	Beginning equity	43,359	-	43,359	15,387	-	15,387	8,157,080	-	8,157,080	60,376,898
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	-	-	-	38,000	-	38,000	437,724
11190	Unit Months Available	310	-	310	427	-	427	-	-	-	37,807
11210	Unit Months Leased	310	-	310	427	-	427	-	-	-	36,991
11270	Excess Cash	(53)	-	(53)	(1,169)	-	(1,169)	425	-	425	(3,722)
11610	Land Purchases	-	-	-	-	-	-	-	-	-	28,822
11620	Building Purchases	-	-	-	-	-	-	-	-	-	823,218
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-	9,787

Houston Housing Authority

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

<u>Federal/State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through entity identifying number</u>	<u>Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
DIRECT AWARDS				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Public and Indian Housing	14.850		\$ 16,421,766	\$ -
ROSS	14.870		573,417	-
Capital Fund	14.872		851,882	-
Housing Voucher Cluster				
Mainstream Vouchers	14.879		1,218,084	-
Section 8 Housing Choice Vouchers	14.871		162,918,987	-
Total Housing Voucher Cluster			164,137,071	-
Section 8 Project-Based Cluster				
Section 8 New Construction & Substantial Rehabilitation	14.182		2,068,752	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249		314,781	-
Lower Income Housing Assistance Program	14.856		2,331,149	-
Total Section 8 Project-Based Cluster			4,714,682	-
Multifamily Housing Service Coordinators	14.191		146,886	-
Continuum of Care	14.267	2,111,388		-
Passed through from: Harris County Department of Housing & Urban Development - Continuum of Care	14.267	072206378	376,631	
Total Continuum of Care			2,488,019	
Jobs-Plus Pilot Initiative	14.895		915,838	-
Total U.S Department of Housing & Urban Development			190,249,561	-
Total Direct Federal Awards			190,249,561	-
INDIRECT AWARDS				
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:				
Passed through from:				
City of Houston				
Community Development Block Grants - State's Programs	14.228	832250815	943,887	-
HOME Investment Partnerships Program	14.239	75258780	390,939	-
Total U.S Department of Housing & Urban Development			1,334,826	-
Total U.S Department of Housing & Urban Development, Direct and Indirect			191,584,387	-
Department of Homeland Security:				
Passed through from:				
Texas General Land Office				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	117134974	1,947,676	-
Total Department of Homeland Security			1,947,676	-
Total Indirect Federal Awards			3,282,502	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 193,532,063</u>	<u>\$ -</u>

See notes to the schedule of expenditures of federal awards

Houston Housing Authority

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Houston Housing Authority under programs of the federal government for the year ended December 31, 2019 and is presented on the accrual basis of accounting. The information on 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, Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net position or cash flows of the Authority. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized in accordance with the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



Independent Member of Nexia International

cohnreznick.com