



FINANCE COMMITTEE MEETING
AUGUST 19, 2021



BOARD OF COMMISSIONERS

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| Dr. Ana "Cha" Guzmán Chair | Jessica Weaver Vice Chair | Loren D. Dantzler Commissioner | Olga Kauffman Commissioner | Gabriel Lopez Commissioner | Ignacio Perez Commissioner | Ruth Rodriguez Commissioner |
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PRESIDENT & CEO

 Ed Hinojosa, Jr.

SAN ANTONIO HOUSING AUTHORITY
FINANCE COMMITTEE or
****SPECIAL BOARD MEETING**
TELECONFERENCE

Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
1:00 p.m., Thursday, August 19, 2021

The Board of Commissioners will convene for a Committee, or Special Board meeting, by teleconference, for discussion on the following matters:

MEETING CALLED TO ORDER

1. The Board of Commissioners or its Committee may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board or Committee reserves the right to enter into closed meeting at any time, during the course of the meeting.

PUBLIC COMMENT

2. Public Comment - Citizens are provided up to three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to **1:00 p.m.** A Spanish/English translator will be available to citizens needing translation.

Now is the time for public comments. The Board asks the public to address concerns related to SAHA matters and policy and not include statements that may be considered defamatory of any individual. The Board encourages members of the public to direct specific concerns or problems to SAHA staff for more prompt resolution. The Board will not discuss the comments of speakers or respond to speakers during the public comment portion of the agenda.

DISCUSSION ITEMS

3. Update and discussion regarding the Quarterly Internal Audit Update (Aiyana Longoria, Director of Internal Audit)
4. Update and discussion regarding the Quarterly Financial Report (Diana Kollodziej Fiedler, Director of Finance and Accounting)
5. Adjournment

*Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board

reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

****Note:** If a quorum of the Board of Commissioners attends the Committee Meeting, this meeting becomes a Special Meeting of the Board, but no Board action will be taken other than recommendations to the full Board, unless the full Board is present.

SAN ANTONIO HOUSING AUTHORITY

August 19, 2021

MEMORANDUM

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Aiyana Longoria, Director of Internal Audit

RE: Update and Discussion Regarding Internal Audit

DS
EHJ

SUMMARY:

Internal Audit provides independent and objective assurance, auditing, and consulting services to add value, improve internal controls, and strengthen the Agency's operations. The function helps the Housing Authority accomplish its objectives by using a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. In addition to its oversight activities, internal audit serves as a resource for identifying opportunities for best practices and efficiencies. The mission of the San Antonio Housing Authority Internal Audit Department is to:

- Ensure the Housing Authority remains a good steward of the public trust by working with all levels of management and staff, as well as the Board of Commissioners, to identify significant risk areas and the internal controls in place to mitigate those risks;
- Provide continuous quality improvement through the review of processes and procedures to identify operational efficiencies and best practices; and,
- Perform all assurance and consulting activities with the highest level of integrity and objectivity.

In accordance with the approved Internal Audit Charter, the Director of Internal Audit (i.e., the Chief Audit Executive), is required to communicate any significant deviation from the approved internal audit plan to the Audit Committee, the President and CEO, and the Legal and Compliance Officer, or equivalent, through periodic activity reports.

This update provides the required communication, as follows:

- Internal Audit Department Update
- Internal Audit Plan Status - FY 2021-2022 Quarter 1
- Summary and Status of Management Corrective Action Plans (related to Internal Audit reporting)

Management Corrective Action Plans resulting from internal audits are entered into a spreadsheet to allow for easier tracking of the status of open items. A copy of the spreadsheet is attached. Each of the action items are color-coded to indicate their status as follows: green indicates the action has a due date 30 days or more in the future; red indicates that the action is behind schedule; and yellow indicates the action has a due date less than 30 days in the future.

SAN ANTONIO HOUSING AUTHORITY

August 19, 2021

PROPOSED ACTION:

None at this time.

FINANCIAL IMPACT:

Not applicable.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Presentation

Status of Management Corrective Action Plans



SAHA | SAN ANTONIO
HOUSING AUTHORITY
Opportunity Lives Here

Internal Audit Update

Presentation to Finance Committee
August 19, 2021

INTERNAL AUDIT Q1 ACTIVITIES IN SUPPORT OF SAHA STRATEGIC OUTCOMES

2

■ ***Internal Audit activities that support all strategic outcomes:***

- Continuing to work with CDI Family Self-Sufficiency program on escrow review process, and streamlining review to meet the changes in the FSS program direction
 - 6 escrows reviewed, and 4 approved for graduation from July 2021 to current
- CSA for Emergency Preparedness and Response Plan
- Audit of Vendor Quality
- Audit of Waitlist and Tenant Selection Plans for Third Party Managed Communities
- Audit of the Security Risk Assessment Process
- Closeout of Modified Operations Compliance Audits and transition to Standard Operations Compliance Audits

STATUS OF 2020-2021 AUDIT PLAN

3

❑ **Control Self-Assessment (CSA) Emergency Preparedness and Response Plan (EPR)**

- CSA was facilitated by Internal Audit, and CSA Team included 26 individuals who represented various departments throughout SAHA, including Federal Housing Programs, Innovative Technology, Human Resources, Community Development Initiatives, Procurement, Regulatory Oversight, Construction Services and Sustainability, Communications and Public Affairs, Policy and Planning, Safety and Security, and Risk.
- Final report issued 6/30/21 with the following recommendations:
 - Implement and test Rave Guardian software to serve as Customer Relationship Management (CRM) software for emergency communication.
 - Continue the integration of the EPR plan with the Data Governance workgroup.
 - Training and testing for staff and residents is included in the plan. In order to adequately train and test, the following is recommended:
 - ❑ Develop an Emergency Response Process Map.
 - ❑ Internally facilitate Table Top Exercise sessions to test the plan and process in specific scenarios; alternately, engage with outside partners (emergency responders or utility companies) who may be hosting their own Table Top Exercises to ensure that SAHA's communities are represented.
 - Place the EPR plan under the Strategic Plan to ensure the agency is able to update, prioritize, and maintain responses to potential risks in a changing environment.

STATUS OF 2020-2021 AUDIT PLAN, CONT'D.

4

- **Public Housing Midyear Modified Compliance Audit**
 - Currently drafting the report for Quarters 3 and 4
- **Assisted Housing Programs Midyear Modified Compliance Audit**
 - Currently drafting the report for Quarters 3 and 4
- **Audit of Vendor Quality and Dispute Resolution**
 - Final Report was sent to the Finance Committee on July 23, 2021
 - The audit identified three findings and one observation
 - ❑ No Material Weakness
 - ❑ One Significant Deficiency
 - ❑ Two Other Internal Control Deficiencies

STATUS OF 2020-2021 AUDIT PLAN, CONT.

5

■ **Audit of Waitlist and Tenant Selection Plans for Third Party Managed Communities**

- Draft Reports were completed, and staff met with respective management companies for:
 - ❑ Sutton Oaks, the Park at Sutton Oaks - Franklin Management;
 - ❑ San Juan I, San Juan II, and the Gardens at San Juan Square - NRP Group; and
 - ❑ Wheatley Senior, and East Meadows I - McCormack Baron Management
- Pending management responses, to include corrective action plans

■ **Audit of the Security Risk Assessment Process**

- Kick-off meeting held 6/9/21
- Audit is currently in the file review process

STATUS OF 2021-2022 AUDIT PLAN

6

Compliance Audits

❑ **Assisted Housing Program** (*Ongoing*)

- Compliance audits resumed under “Standard Operations” to review processed files
 - Effective July 1, 2021
 - Focus on permanent documents, rent determination, and calculation

❑ **Public Housing** (*Ongoing*)

- Compliance audits resumed under “Standard Operations” to review processed files
 - Effective July 1, 2021
 - Focus on permanent documents, rent determination, and calculation
 - Included third-party managed communities with Public Housing into annual schedule

ACTION ITEMS

7

Status of Corrective Action Items resulting from Internal Audits

- Currently, there are twenty-four (24) open action items
- All twenty-four (24) of the action items are expected to be completed this fiscal year

STATUS OF THIRD PARTY AUDITS

8

There are no Third Party Audits to report

QUESTIONS?

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 5/6/2021

| Audit Plan Year | Final Report Date | Audit Title | Finding Type | Finding Number and Title | Finding / Condition Description and Recommendation | Management's Corrective Action Plan | Original Estimated Completion Date | Revised Estimated Completion Date | Status | Resp. Officer's Initials | Comments |
|-------------------------------------|-------------------|--|-----------------------------|--|--|--|------------------------------------|-----------------------------------|---------------------------|--------------------------|--|
| <u>Fiscal Year 2016-2017</u> | | | | | | | | | | | |
| FY 16-17 | 8/20/18 | Audit of CDI Grant Funds | Internal Control Deficiency | Finding 3 - BCJI - Delay in the Initial Execution of the Grant | <p>The BCJI grant was awarded on September 25, 2012, to be effective October 1, 2012. Selection of the research partner, Trinity University, was not presented to the Board of Commissioners until June 21, 2013, almost nine months later.</p> <p>Recommendation To ensure compliance with grant provisions, CDI should develop a standard operating procedure for each grant. The procedure should address all grant provisions including, but not limited to, documentation, drawdown, and reporting requirements.</p> | <i>[CDI] staff will review notes from Grants Committee meetings and complete a grants SOP for the Department.</i> | 12/31/2018 | 10/1/2021 | <i>In Progress</i> | BP | SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee. |
| FY 16-17 | 8/20/18 | Audit of CDI Grant Funds | Internal Control Deficiency | Finding 5 - BCJI - Missed Financial Reporting Deadlines | <p>Of the 19 Federal Financial Reports reviewed for the BCJI grant, five were filed over one day after the due date as indicated on the electronic confirmation receipt.</p> <p>Recommendation A method for monitoring/confirming the report submission should be established to ensure timely reporting.</p> | <i>a. [CDI] Staff will review notes from Grants Committee meetings and complete a grants SOP for the Department. The SOPs will create a system to ensure that important dates and deadlines are met, including grant performance and financial reports.</i> | 12/31/2018 | 10/1/2021 | <i>In Progress</i> | BP | SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee. |
| FY 16-17 | 8/20/18 | Audit of CDI Grant Funds | Internal Control Deficiency | Finding 6 - BCJI - Late Submission of Expenses | <p>The Federal Financial Report, submission 12 with a reporting period end date of September 30, 2015, included \$2,363.86 in expenses incurred during the previous quarter. These expenses were reported on line 10-e of the Federal Share of Expenditures report, in the column labeled This Period.</p> <p>Recommendation Ensure that all expenses and related reporting are completed in the required time frame, as listed in the BCJI Grant documentation.</p> | <i>[CDI] staff will review notes from Grants Committee meetings and complete a grants SOP for the Department. The SOPs will create a system to ensure that important dates and deadlines are met, including grant performance and financial reports.</i> <i>The Director of CDI will review and analyze adding an analyst position to the CDI Department. CDI will work with Finance and Accounting to determine the scope of work for the proposed analyst position and determine, during next fiscal year's budget process, if the adding the position is financially feasible.</i> | 7/1/2019 | 10/1/2021 | <i>In Progress</i> | BP | SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee. |
| FY 16-17 | 4/16/19 | Audit of Tenant Participation Funds at Parkview Apartments | Significant Deficiency | Finding 3 - Check Disbursements | <p>Recommendation Internal Audit recommends that the Property Manager or Case Management Specialist assist the RC with establishing a bank account that will conform to the requirements set forth in the RC Manual. including the requirement for dual signatures, with the Treasurer being one of the signatories on each disbursement. Additionally, either the Property Manager or the Case Management Specialist should be on the bank account.</p> | <i>CDI Management will meet with PH Management to determine the best course of action for supporting RC with establishing bank accounts. An SOP will be developed to provide guidance for SAHA staff who have expressed concerns with adding their names to the RC bank account.</i> | 5/8/2019 | 12/31/2021 | <i>In Progress</i> | BP | CDI Managment is currently exploring best practices and seeking additional services for guidance and redevelopment. |
| <u>Fiscal Year 2019-2020</u> | | | | | | | | | | | |

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 5/6/2021

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| FY 19-20 | 10/30/20 | Audit of Rent Calculation and Collection Processes at Public Housing Communities | Significant Deficiency | Finding 2 - Incorrect collection or application of security deposits | Recommendation Management should reemphasize to staff the importance of collecting deposits and verifying that they have been appropriately accounted for in the tenant ledger. | <i>Monthly Quality control for Security deposit collection Reports has been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for February 2021.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 10/30/20 | Audit of Rent Calculation and Collection Processes at Public Housing Communities | Significant Deficiency | Finding 3 - Incorrect Account Settlement in Elite | Recommendation Management should reemphasize to staff the importance of calculating prorated rent and verifying that they have been appropriately accounted for in the tenant ledger. | <i>Move Out SOP is being updated and training is scheduled for February 2021.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 10/30/20 | Audit of Rent Calculation and Collection Processes at Public Housing Communities | Significant Deficiency | Finding 4 - Inconsistent move-out procedures | Recommendation Written procedures should be established specifically for the move-out process that is separate from the eviction process. The procedures should address the processing time required to close-out tenant accounts, collections process, EIV module notification, as well as standardize usage of entering information into Elite for tenant ledgers, tenant notes, and entity alerts. | <i>The Move Out SOP is being updated and training is scheduled for February 2021.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 10/30/20 | Audit of Rent Calculation and Collection Processes at Public Housing Communities | Observation | Observation 1 - Electronic Documentation in Shared Google Drive. | Recommendation Tenant documents, to include forms and letters should be "backed up" or copied as a pdf to a shared Public Housing folder in the SAHA Google shared drive. This prevents the need to obtain the physical file when it is not possible, and allows for any SAHA staff person to access this document in the future if the creator of the document is no longer a SAHA employee. | <i>Management is not currently expecting to move to a digital file system. Move Out SOP is being updated and training is scheduled for February 2021</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 10/30/20 | Audit of Public Housing Compliance | Significant Deficiency | Finding 5 - Possible unreported income | Recommendation Management should reemphasize to staff that the EIV System and/or resident-provided documents must be carefully reviewed and all income verified, to make sure rent amounts are calculated correctly and are based on the resident's entire income. | <i>Unreported Income SOP will be updated and implemented with training for staff by March 1, 2021.</i> | 3/1/2021 | 9/30/2021 | In Progress | BP | Unreported Income Worksheet created and rolled out to all PH staff in April 2021. |
| FY 19-20 | 10/30/20 | Audit of Public Housing Compliance | Significant Deficiency | Finding 6- Security deposit issues | Recommendation Management should reemphasize to staff that a security deposit must be charged and collected. | <i>Monthly Quality Control for Security deposit collection Reports have been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for February 2021.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | Repeated significant deficiency for FY2020-2021 Midyear PH Complinance Audit. |

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 5/6/2021

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| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Significant Deficiency | Finding 1 - Outstanding debt owed to SAHA | Recommendation Ensure every effort is made to recoup monies owed to SAHA to include reporting any bad debt to SAHA's third-party collection agency. | <i>Assisted Housing Programs has removed the policy to send bad debt to SAHA's third-party collection agency effective July 1, 2020. The change was made due to the concern that the collection reporting would have on the client's credit history. An applicant will not be housed in the future, as all debts will show and they must make arrangements before continuing in the process. Management is currently reviewing current AHP policies / procedures on recoupment of monies for bad debts owed, including performing collections within SAHA. The Public Housing Move Out SOP is being updated to include specific procedures and timeline for collections in order to provide reinforcement of collection policies and procedures for property managers to abide by in collecting debt. Staff training is scheduled for February 2021. Management has followed up with the appropriate property managers to send the monies to collections in PH, and with appropriate action (depending on whether for participant / owner) for AHP cases.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | 6/30 date references Move out SOP est. completion date |
| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Significant Deficiency | Finding 2 - Court fees not charged on Public Housing tenant ledgers | Recommendation Ensure all charges to include judgments and or evictions are documented and applied consistently to each file. | <i>Monthly Quality Control for eviction reports will be run for Property manager review. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Significant Deficiency | Finding 3 - Terminations not entered into Enterprise Income Verification (EIV) | Recommendation Ensure this process is part of the termination/move out checklist and create a standard operating procedure to ensure terminations are entered into the EIV DOTM. | <i>A reminder will be issued to AHP and PH staff responsible for entering information into EIV. The AHP Terminations SOP will be updated to include the EIV reporting process. PH Move Out SOP being updated will include the EIV reporting process. Will establish a procedure to ensure EIV/PIC Analyst sends out email to Property Managers when submissions are complete to remind properties to enter termination into EIV. Property Manager will QC information entered. Move Out SOP is being updated and training is scheduled for February 2021.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Internal Control Deficiency | Finding 4 - Termination report discrepancy | Recommendation Ensure management confirms all information in Elite is entered properly and any system generated reports reflect accurate information | <i>Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. A reminder will be issued to staff on termination reasons and reporting.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Internal Control Deficiency | Finding 5 - Delay in reviewing files for termination | Recommendation Ensure staff and management are aware of the importance of sending files through the termination process in a timely manner. Include a time frame to specify how long both staff and management have to review the file prior to sending the file for review of termination | <i>A reminder will be issued to staff and a report for expired vouchers will be established to notify staff of when to move forward with termination. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. The Move Out SOP will include clarification on timelines for Public Housing.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Internal Control Deficiency | Finding 6 - Notice to Vacate and/or Final Notice to Vacate (FNTV) | Recommendation Ensure procedures are reviewed and reinforced with staff to ensure all required documents are maintained in the program file. | <i>Move Out SOP is being updated and will include timelines for Notice to Vacates. File Order SOP will be updated to clarify the process for termination / evicted files.</i> | 7/1/2021 | 12/31/2021 | In Progress | BP | |

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 5/6/2021

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| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Internal Control Deficiency | Finding 7 - Missing documentation | Recommendation Ensure procedures are reviewed and reinforced with staff to ensure all required documents are maintained in the program file. | <i>Training will be issued to Assisted Housing Programs staff on termination checklist. AHP Terminations SOP will be updated to include processes for entering Elite notes, reviewing files for proper documentation, and completing the termination checklist. PH Move Out SOP will include and address the process for entering information into Elite and reviewing files for proper documentation. Reminders will be included in training for Public Housing staff and AHP staff.</i> | 7/1/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Observation | Observation 1 - No abandonment policy | Recommendation Recommend adding steps to the PH Eviction SOP regarding when to use the abandonment policy vs court eviction proces | <i>Move Out SOP is being updated and will include Texas Property Law sections on handling Abandonment of units and related SAHA Policy.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| FY 19-20 | 12/18/20 | Audit of Resident and Program Participant Termination Process in Federal Housing Programs | Observation | Observation 2 - Inconsistent use of Public Housing termination end date | Recommendation Ensure an SOP is created to assist staff in clarifying which date to use for the end of participation depending on situations for termination. | <i>Move Out SOP is being updated and will include effective dates and timelines.</i> | 2/28/2021 | 12/31/2021 | In Progress | BP | |
| <u>Fiscal Year 2020-2021</u> | | | | | | | | | | | |
| FY 20-21 | 4/9/21 | Public Housing Midyear Modified Compliance Audit | Significant Deficiency | Finding 1- Incorrect security deposit charged and/or collected | Recommendation Management should reemphasize to staff that a security deposit must be collected in full, and applied to the ledger correctly. | <i>Revised reponse from Managment, "Monthly Quality Control for Security deposit collection Reports have been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for June 2021."</i> | 6/30/2021 | 12/31/2021 | In Progress | BP | |
| FY 20-21 | 4/9/21 | Assisted Housing Programs Midyear Modified Compliance Audit | Significant Deficiency | Finding 1- Over or Under payment of Housing Assistance Payment (HAP), Utility Reimbursement (UAP), and Administrative Fees for Port-Out | Recommendation AHP management should reemphasize to staff to verify the correct number of days for prorated amounts, and develop a monitoring process to ensure reimbursement of underpayment of subsidy or recovering of overpaid amounts are made in a timely manner. | <i>Rent Calculation training is scheduled for October 2021 and will stress the importance of verifying the correct number of days for prorated amounts. Management will continue to review internal audit activities to ensure areas of concern are reviewed during monthly audits. Management will also continue to QC new hires at 100%.</i> | 10/31/2021 | | In Progress | BP | |

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 5/6/2021

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| FY 20-21 | 7/23/2021 | Audit of Vendor Quality | Significant Deficiency | Finding 1 - Personally identifiable information (PII) provided by the vendor for "Financial Viability" retained in file | Recommendations a. Procurement management should take steps to ensure PII is not retained unnecessarily in the department's files, to include providing guidance to vendors on PII; or, if necessary to be retained, then such PII is adequately safeguarded. If PII is included as part of a vendor's submission, notice will be sent to the vendor to inform them that the information has been reviewed (if applicable), removed, and has been properly disposed of. b. Procurement management should reevaluate the current language and request provided in the IFB Section 5.10. It may not be possible for all vendors to provide the specific information requested, and may be misunderstood if the company is small and does not have financial statements or audit reports. If it continues to be a requirement for submissions, Procurement management must ensure there is a consistent review process in place. | <i>Management will review the current language in all solicitation templates in order to have financial information only requested from those vendors, which projects require SAHA to review the financial stability of a company.</i> | 12/3/2021 | | In Progress | MR | |
| FY 20-21 | 7/23/2021 | Audit of Vendor Quality | Internal Control Deficiency | Finding 2 - Vendor evaluation process for the renewal of contracts | Recommendations a. As the evaluation process has evolved, the scoring matrix has not. Procurement management should develop a comprehensive and reflective scoring matrix for the evaluation process. Evaluations and scores should take into consideration the nature and type of services provided. b. Feedback that is provided by end users of the service is critical for capturing and evaluating performance, and would allow any and all staff who interact with a vendor to be part of the evaluation process. Procurement management should reinforce the usage of the help log system, and ensure that any feedback provided is formally captured in the review and renewal of contracts. | <i>Although the Director of Procurement is responsible for this process, this process is currently being performed by another department. The procurement department will take ownership of this process and use its new procurement solicitation software to capture this information.</i> | 12/31/2021 | | In Progress | MR | |
| FY 20-21 | 7/23/2021 | Audit of Vendor Quality | Internal Control Deficiency | Finding 3 - Approved subcontractors at the time of contract award | Recommendations At the time of award, Procurement management should review the vendor submissions and determine if the awarded vendors are listed as subcontractors on another awarded vendor's submission. If this is discovered to be true, then the awarded vendor(s) must select an alternative subcontractor that has not been awarded the contract. Any replacement subcontractor must still meet the terms outlined in the contract, meet due diligence verifications, and be approved by SAHA prior to commencing any work. | <i>Management will review all subcontractors as recommended prior to executing any contracts.</i> | 12/31/2021 | | In Progress | MR | |
| | | | | | | | | | | | |

SAN ANTONIO HOUSING AUTHORITY**August 19, 2021****MEMORANDUM**

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Diana Kollodziej Fiedler, Director of Finance and Accounting

RE: Update and discussion regarding the Quarterly Financial Performance Report for the San Antonio Housing Authority

DS
EHJ

SUMMARY:**Financial Performance Highlights**

The Quarterly Financial Report for the San Antonio Housing Authority for the fiscal year ending June 30, 2021, is attached. The Financial Performance Report has been modified to present two condensed statements of revenue and expenses to separate SAHA's core business activities of housing, management, and resident services ("Operations") from the Capital Fund and Real Estate Services lines of business ("Capital"). The results of operations for the fiscal year ending June 30, 2021, reflect a Surplus Before Non-Cash Items of \$13 million for Operations (\$16.4 million above budget) and \$12.5 million for Capital (\$1.3 million below budget).

Total Operating Revenue for the Operations segment was approximately \$5.6 million above budget due primarily to a favorable variance of \$7.6 million in Grants revenue offset by unfavorable variances of \$1.6 million in Tenant Revenue and \$0.8 million in Housing Assistance Payment (HAP) Revenue. The \$7.6 million favorable variance in Grants revenue resulted predominantly from CARES Act funding of \$4.0 million. Also contributing were favorable variances of \$2.1 million in Public Housing operating subsidy, \$0.3 million in Beacon project-based HAP subsidy, and \$1.3 million in Section 8 administrative fees partially due to the new Emergency Housing Voucher program (EHV). Tenant Revenue was below budget by \$1.6 million due primarily to vacancies and higher collection losses in the Beacon portfolio. Section 8 HAP Expense ended the period with a favorable variance of \$9.2 million, which is not equally reflected in the HAP Revenue account due to additional HAP Revenue being drawn through our MTW approved activities for the Labor Street, Highland Park, and Costa Valencia capital projects as well as supporting the operations of CDI and Public Housing.

Total Operating Expenses ended the period \$11.2 million below budget for Operations largely due to favorable variances of \$9.2 million in HAP Expense and \$2.9 million in Salaries and Benefits offset by an unfavorable variance of \$.8 million in Ordinary Maintenance and Operations. Numerous staff vacancies have led to the majority of segments reporting favorably for Salaries and Benefits. The Authority currently has 117 full-time vacant positions, 32 of which are filled with temporary employees and 33 have been placed on hold.

Total Operating Revenue for the Capital segment was approximately \$1.8 million above budget due primarily to a favorable variance of \$4.8 million in Grants revenue, partially offset by an unfavorable variance of \$3.0 million in Miscellaneous Revenue. The \$4.8 million favorable

SAN ANTONIO HOUSING AUTHORITY**August 19, 2021**

variance in Grants revenue resulted primarily from the timing of Capital Fund grant expenditures. Miscellaneous Revenue was below budget by \$3.0 million due to an unfavorable variance of \$3.4 million in development fee revenue caused by the construction timing of the Horizon Pointe, Pearsall Flats, and St. John's Apartments.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$14.2 million from June 30, 2020, to June 30, 2021. Total Assets increased by \$63.2 million due to the additions of \$49.6 million in Fixed Assets, \$12.5 million in Current Assets, and \$1.1 million in Other Non-Current Assets. The \$12.5 million increase in Current Assets resulted largely from the proceeds of the new EPC loan of \$7.9 million of which \$3.5 million remains, \$3.7 million from the closing of the Labor Street project, \$4.6 million in CARES Act funding for HCV administrative fees, and \$2.5 million in Sunshine Plaza loan proceeds offset by a decrease in accounts receivable. The \$49.6 million surge in Fixed Assets was due to the addition of buildings and land of \$48.6 million as well as an increase of \$19.9 million related to capital projects offset by the recording of depreciation. The increase in buildings was attributable to Beacon's purchase of the Costa Valencia property and the capitalization of projects in both the Beacon and Public Housing portfolios. The increase in land was caused by the Authority acquiring ownership interests in several properties, including the Watson Road, Copernicus, Kitty Hawk, Vista at Interpark, Josephine, and Vista at Everest projects. The increase of \$1.1 million in Other Non-Current Assets was due to the general partner investment in the Legacy at Alazan project.

Total Liabilities increased by \$47.7 million due mainly to an increase of \$24.5 million in deferred revenue, which arose from the Facility Corporation entering into ground leases with the Watson Road, Copernicus, Kitty Hawk, Vista at Interpark, Josephine, and Vista at Everest partnerships. Also included in this category is \$17.4 million of new debt comprised of an EPC loan of \$7.9 million, the Sunshine Plaza loan of \$2.5 million, and the Labor Street construction loan of \$7.0 million. Also contributing was the acquisition of the Costa Valencia property, which added new debt of \$10.3 million. These increases were partially offset by scheduled debt payments.

Supplemental Information—Funding Environment

On March 11, 2021, President Biden signed into law The American Rescue Plan Act of 2021 providing \$1.9 trillion emergency funding relief for people impacted by the pandemic. The bill approved more than \$30 billion in additional housing and rent relief with \$5 billion going directly to HUD for Emergency Housing Vouchers. SAHA received an allocation of 284 Emergency Housing Vouchers.

At the time this memo was prepared, the U.S. House Appropriations Committee approved the budget for HUD, including some highlights below:

- \$8.64 Billion for the Public Housing Fund, which is \$809 million more than the 2021 enacted budget.
- \$3.4 Billion for the Capital Fund. This is \$200 million more than the President's proposed budget and \$635 million more than FY 2021 enacted.
- \$4.897 billion for public housing formula grants. This is a \$58 million increase over FY 2021 enacted levels and \$10 million more than the President's proposed budget.
- \$24.951 billion for Housing Assistance Payment renewals for Housing Choice Vouchers. This is \$50 million less than the President's budget and \$1.871 billion more than the FY 2021 enacted level.

SAN ANTONIO HOUSING AUTHORITY

August 19, 2021

- \$4.688 billion for the Community Development Fund program. Of this amount, \$3.7 billion would be made available for the Community Development Block Grant (CDBG) Program. This is \$70 million less than the President's budget, but \$225 million more than FY 2021 enacted levels.

PROPOSED ACTION:

None.

FINANCIAL IMPACT:

None.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report

Cash and Investment Summary

- For the Period Ending June 30, 2021

Grants Report

San Antonio Housing Authority
Financial Performance Report
As of June 30, 2021
(UNAUDITED)

Condensed Statement of Revenue and Expenses

(For the Fiscal Year Ended 06/30/2021)

| | OPERATIONS ACTUAL 6/30/2021 | OPERATIONS BUDGET 6/30/2020 | OPERATIONS Variance | Highlights Section |
|--|--|--|--------------------------------|-------------------------------|
| Operating Revenue | | | | |
| Tenant Revenue | \$ 36,044,964 | \$ 37,672,981 | \$ (1,628,017) | I(a)(1) |
| Grants | 44,793,988 | 37,209,896 | 7,584,091 | I(a)(2) |
| HAP Revenue | 107,747,618 | 108,564,127 | (816,509) | I(a)(3) |
| Miscellaneous Revenue | 1,794,425 | 1,337,989 | 456,435 | |
| Total Operating Revenue | \$ 190,380,994 | \$ 184,784,994 | \$ 5,596,000 | |
| Operating Expenses | | | | |
| Salaries and Benefits | \$ 34,680,883 | \$ 37,607,200 | \$ (2,926,317) | I(b)(1) |
| Ordinary Maintenance and Operations | 15,779,077 | 14,930,801 | 848,275 | I(b)(2) |
| Utilities | 8,151,420 | 8,167,506 | (16,086) | |
| Other Expenses | 12,222,050 | 12,214,122 | 7,929 | |
| HAP Expense | 100,497,622 | 109,654,326 | (9,156,704) | I(a)(3) |
| Total Operating Expenses | \$ 171,331,052 | \$ 182,573,955 | \$ (11,242,903) | |
| Net Operating Income | \$ 19,049,943 | \$ 2,211,039 | \$ 16,838,903 | |
| Non-Operating Income (Expenses) | | | | |
| Interest Expense | \$ (4,859,979) | \$ (3,832,969) | \$ (1,027,010) | I(c)(1) |
| Interest Income | 971,370 | 1,697,794 | (726,424) | I(c)(1) |
| Other Income (Expenses) | (2,161,933) | (3,478,999) | 1,317,066 | I(c)(1) |
| Total Non-Operating Income (Expenses) | \$ (6,050,543) | \$ (5,614,175) | \$ (436,368) | |
| Surplus (Deficit) Before Non-Cash Items | \$ 12,999,400 | \$ (3,403,135) | \$ 16,402,535 | |
| Non-Cash Items | | | | |
| Depreciation and Amortization | \$ (13,011,847) | \$ (13,615,005) | \$ 603,158 | |
| Non-Operating Income (Expense) | 12,415,506 | 9,870,347 | 2,545,159 | |
| Total Non-Cash Items | \$ (596,341) | \$ (3,744,658) | \$ 3,148,317 | |
| Change in Net Position | \$ 12,403,059 | \$ (7,147,794) | \$ 19,550,852 | I(c)(1) |

San Antonio Housing Authority
Financial Performance Report
As of June 30, 2021
(UNAUDITED)

Condensed Statement of Revenue and Expenses
(For the Fiscal Year Ended 06/30/2021)

| | CAPITAL ACTUAL 6/30/2021 | CAPITAL BUDGET 6/30/2020 | CAPITAL Variance | Highlights Section |
|--|---|---|-----------------------------|-------------------------------|
| Operating Revenue | | | | |
| Tenant Revenue | \$ - | \$ - | \$ - | |
| Grants | 12,818,715 | 7,973,378 | 4,845,337 | II(a)(1) |
| HAP Revenue | - | - | - | |
| Miscellaneous Revenue | 5,635,628 | 8,680,876 | (3,045,248) | II(a)(2) |
| Total Operating Revenue | \$ 18,454,343 | \$ 16,654,254 | \$ 1,800,089 | |
| Operating Expenses | | | | |
| Salaries and Benefits | \$ 1,154,175 | \$ 1,167,462 | \$ (13,287) | |
| Ordinary Maintenance and Operations | 93,913 | 78,100 | 15,813 | |
| Utilities | 2,270 | 2,730 | (460) | |
| Other Expenses | 472,912 | 757,300 | (284,388) | |
| HAP Expense | - | - | - | |
| Total Operating Expenses | \$ 1,723,271 | \$ 2,005,592 | \$ (282,321) | |
| Net Operating Income | \$ 16,731,072 | \$ 14,648,662 | \$ 2,082,410 | |
| Non-Operating Income (Expenses) | | | | |
| Interest Expense | \$ (478,499) | \$ (499,842) | \$ 21,343 | |
| Interest Income | 227,421 | 502,409 | (274,988) | |
| Other Income (Expenses) | (3,941,218) | (803,556) | (3,137,662) | II(b)(1) |
| Total Non-Operating Income (Expenses) | \$ (4,192,296) | \$ (800,990) | \$ (3,391,306) | |
| Surplus (Deficit) Before Non-Cash Items | \$ 12,538,776 | \$ 13,847,672 | \$ (1,308,896) | |
| Non-Cash Items | | | | |
| Depreciation and Amortization | \$ (13,994) | \$ (9,354) | \$ (4,641) | |
| Non-Operating Income (Expense) | (10,691,345) | (4,819,969) | (5,871,376) | II(b)(1) |
| Total Non-Cash Items | \$ (10,705,340) | \$ (4,829,323) | \$ (5,876,017) | |
| Change in Net Position | \$ 1,833,436 | \$ 9,018,349 | \$ (7,184,913) | II(b)(1) |

*Capital Fund column includes Capital Fund and Real Estate Services

**San Antonio Housing Authority
Financial Performance Report
As of June 30, 2021
(UNAUDITED)**

Comparative Balance Sheet

| | 6/30/2021 | 6/30/2020 | Increase (Decrease) | % | Highlights Section |
|--|-----------------------|-----------------------|--------------------------------|----------------|-------------------------------|
| Assets | | | | | |
| Current Assets | \$ 112,665,197 | \$ 100,172,564 | \$ 12,492,633 | 12.47% | |
| Fixed Assets | 307,943,701 | 258,389,050 | 49,554,651 | 19.18% | |
| Other Non-Current Assets | 67,238,542 | 66,125,923 | 1,112,619 | 1.68% | |
| Total Assets | \$ 487,847,440 | \$ 424,687,537 | \$ 63,159,903 | 14.87% | III(a) |
| Deferred Outflows of Resources | | | | | |
| Deferred Charges on Refunding | \$ 383,160 | \$ 497,372 | \$ (114,212) | -22.96% | |
| Deferred Swap Outflows | 1,893,930 | 3,022,358 | (1,128,428) | -37.34% | |
| Total Deferred Outflows of Resources | \$ 2,277,090 | \$ 3,519,730 | \$ (1,242,640) | -35.30% | |
| Total Assets and Deferred Outflows of Resources | \$ 490,124,530 | \$ 428,207,267 | \$ 61,917,263 | 14.46% | |
| Liabilities | | | | | |
| Current Liabilities | \$ 25,981,080 | \$ 19,244,842 | \$ 6,736,238 | 35.00% | |
| Non-Current Liabilities | 150,174,895 | 109,230,398 | 40,944,497 | 37.48% | |
| Total Liabilities | \$ 176,155,975 | \$ 128,475,240 | \$ 47,680,735 | 37.11% | III(b) |
| Net Position | | | | | |
| Net Investment in Capital Assets | \$ 197,621,058 | \$ 171,642,724 | \$ 25,978,334 | 15.14% | |
| Restricted Net Position | 41,585,700 | 31,871,805 | 9,713,895 | 30.48% | |
| Unrestricted Net Position | 74,761,797 | 96,217,498 | (21,455,701) | -22.30% | |
| Total Net Position | \$ 313,968,555 | \$ 299,732,027 | \$ 14,236,528 | 4.75% | III(c) |
| Total Liabilities and Net Position | \$ 490,124,530 | \$ 428,207,267 | \$ 61,917,263 | 14.46% | |

**San Antonio Housing Authority
Financial Performance Report
As of June 30, 2021
(UNAUDITED)**

HIGHLIGHTS

For the fiscal year ended June 30, 2021, the Operations segment generated a surplus before non-cash items of \$13 million, which was \$16.4 million above budget. Total Operating Revenue was above budget by \$5.6 million, or 3.03 percent, and Total Operating Expenses were below budget by \$11.2 million, or 6.16 percent.

For the fiscal year ended June 30, 2021, the Capital segment produced a deficit before non-cash items of \$1.3 million, which was \$1.3 million below budget. Total Operating Revenue was above budget by \$1.8 million, or 10.81 percent, and Total Operating Expenses were below budget by \$0.3 million, or 14.08 percent.

Total Assets and Deferred Outflows of Resources increased by \$61.8 million, or 14.44 percent. Total Liabilities and Deferred Inflows of Resources increased by \$46.7 million, or 36.10 percent. Presented below are explanations which summarize the results of operations (Operations and Capital segments) and the combined changes in financial condition.

I. Income Statement (Operations)

Total Operating Revenue was above budget by \$5.6 million and Total Operating Expenses were below budget by \$11.2 million.

(a) Operating Revenue

- (1) Tenant revenue was below budget by \$1.6 million due to an unfavorable variance in the Beacon sector of \$2.6 million which was partially offset by a favorable variance of \$1.0 million in the Public Housing sector. Vacancies for Beacon did not have any budgeted amounts and was the primary cause of Beacon's unfavorable variance. The primary properties contributing to the vacancies were Woodhill, Cottage Creek I, Cottage Creek II and Refugio which all had year-to-date occupancy between 89 and 90 percent. Additionally, collection losses were below budget by \$1.1 million primarily related to an entry for allowance of doubtful accounts influenced by the forecasted impact of COVID-19. Public Housing performed favorably with a total variance of \$1.0 million because the budgeted balances were pessimistic and tied to a forecast of unemployment due to COVID-19.
- (2) Grant revenue was above budget by \$7.6 million primarily due to the receipt of \$4.0 million in CARES Act funding which impacted the Section 8, Public Housing and Beacon sectors. Also contributing were favorable variances of \$1.3 million in Section 8 administrative fees partially due to the new Emergency Housing Voucher program (EHV), \$0.7 million in Public Housing operating subsidy and \$0.3 million in Beacon operating subsidy.
- (3) Section 8 Housing Assistance Payment (HAP) Expense ended the period with a favorable variance of \$9.2 million, which was offset in the HAP Revenue account by draws made for the Labor Street, Highland Park, and Costa Valencia capital projects as well as supporting the operations of CDI and Public Housing.

**San Antonio Housing Authority
Financial Performance Report
As of June 30, 2021
(UNAUDITED)**

(b) Operating Expenses

- (1) The Salaries and Benefits expense line item ended the period \$2.9 million below budget with most segments reporting favorably. The Public Housing, Central Office and Section 8 segments were the primary contributors to the favorable variance.
- (2) The Ordinary Maintenance and Operations expense line item ended the period \$0.8 million above budget primarily due to unfavorable variances in Beacon and Public Housing segments. Expenses arose from major repair/upgrade plumbing, painting and solid waste disposal.

(c) Summary of Changes in Net Position

- (1) Change in Net Position ended the period with an \$19.6 million favorable variance. Net Operating Income was above budget by \$16.8 million. Other Income (Expenses) had a favorable impact of \$1.3 million primarily due to timing of expensing the Capital Funds management fee. Interest Expense was above budget by \$1.0 million primarily due to the closing cost on the Labor Street transaction. Interest Income was below budget by \$.7 million due to the unexpected decline in interest rates primarily due to the pandemic.

II. Income Statement (Capital)

Total Operating Revenue was above budget by \$1.8 million and Total Operating Expenses were below budget by \$0.3 million.

(a) Operating Revenue

- (1) Grant revenue was above budget by \$4.8 million primarily due to a favorable variance in the Capital Funds sector of \$5.9 million, which was affected by the timing of Capital Fund grant expenditures.
- (2) Miscellaneous Revenue was below budget by \$3.0 million due to an unfavorable variance of \$3.5 million in development fee revenue. Development fee revenue was budgeted for Horizon Pointe, Pearsall Flats and St. John's Apartments of \$6.5 million; however, we did not realize any of these fees. St. John's and Horizon Pointe Apartments are currently in the development stage pending closure. Partially offsetting the overall unfavorable variance was \$3.0 million in development fees earned in excess of budget and lease payments of \$0.4 million.

(b) Summary of Changes in Net Position

- (1) Change in Net Position ended the period with a \$7.2 million unfavorable variance. Net Operating Income was above budget by \$2.1 million. However, Other Income (Expenses) was unfavorable by \$3.1 million attributable to timing of expensing the Capital Funds management fee. Additionally, there was a \$5.9 million unfavorable variance in Non-Operating Income (Expense) as a result of various equity transfers.

**San Antonio Housing Authority
Financial Performance Report
As of June 30, 2021
(UNAUDITED)**

III. Balance Sheet

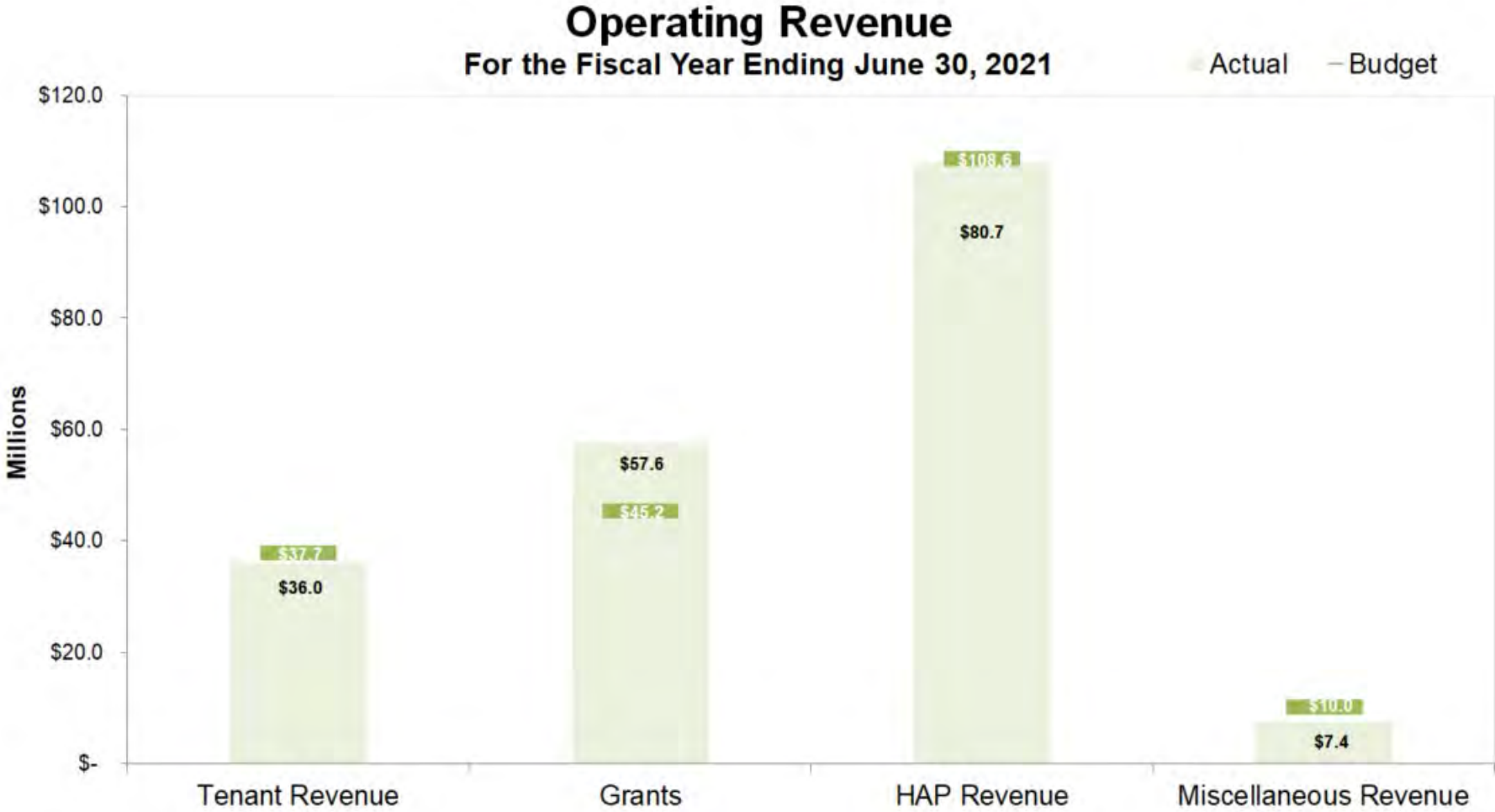
Total Assets and Deferred Outflows of Resources increased by \$61.9 million, Total Liabilities and Deferred Inflows of Resources increased by \$47.7 million, and Total Net Position increased by \$14.2 million.

- (a) Total Assets increased by \$63.2 million, or 14.87 percent, due to increases of \$49.6 million in Fixed Assets and \$12.5 million in Current Assets, including an increase of \$1.1 million in Other Non-Current Assets. The \$49.6 million increase in Fixed Assets resulted primarily from an increase of \$48.6 million in land, buildings and equipment, related to the purchase of the Costa Valencia property in the Beacon portfolio, as well as the capitalization of projects in both the Beacon and Public Housing portfolios. These amounts were offset by the routine recording of depreciation of an additional \$18.9 million. Additionally, there were increases of \$19.9 million in construction in progress related to ongoing modernization projects. The \$12.5 million increase in Current Assets arose primarily from the receipt of \$7.9 million in loan funds for the new EPC loan, of which \$3.5 million remains. Other significant increases included the receipt of \$3.7 million from the closing of the Labor street project, \$4.6 million in CARES Act funding and \$2.5 million in Sunshine Plaza loan proceeds offset by a decrease in accounts receivable. Also, as a result of these acquisitions, there was an increase in Other Non-Current Assets of \$1.1 million related to the general partner investment in the Legacy at Alazan project.
- (b) Total Liabilities increased by \$47.7 million, or 37.11 percent, due primarily to the \$24.5 million in deferred revenue which arose from the Facility Corporation entering into ground leases with the Watson Road, Copernicus, Kitty Hawk, Vista at Interpark, Josephine and Vista at Everest partnerships. Additionally, there were increases of \$17.4 million of new debt related to the new EPC loan of \$7.9 million, Sunshine debt of \$2.5 million and Labor debt of \$7.0 million. Also contributing was the addition of \$10.3 million in debt related to the acquisition of the Costa Valencia property. These increases were partially offset by scheduled debt payments.
- (c) Total Net Position increased by \$14.2 million, or 4.75 percent, as a result of the changes described above.

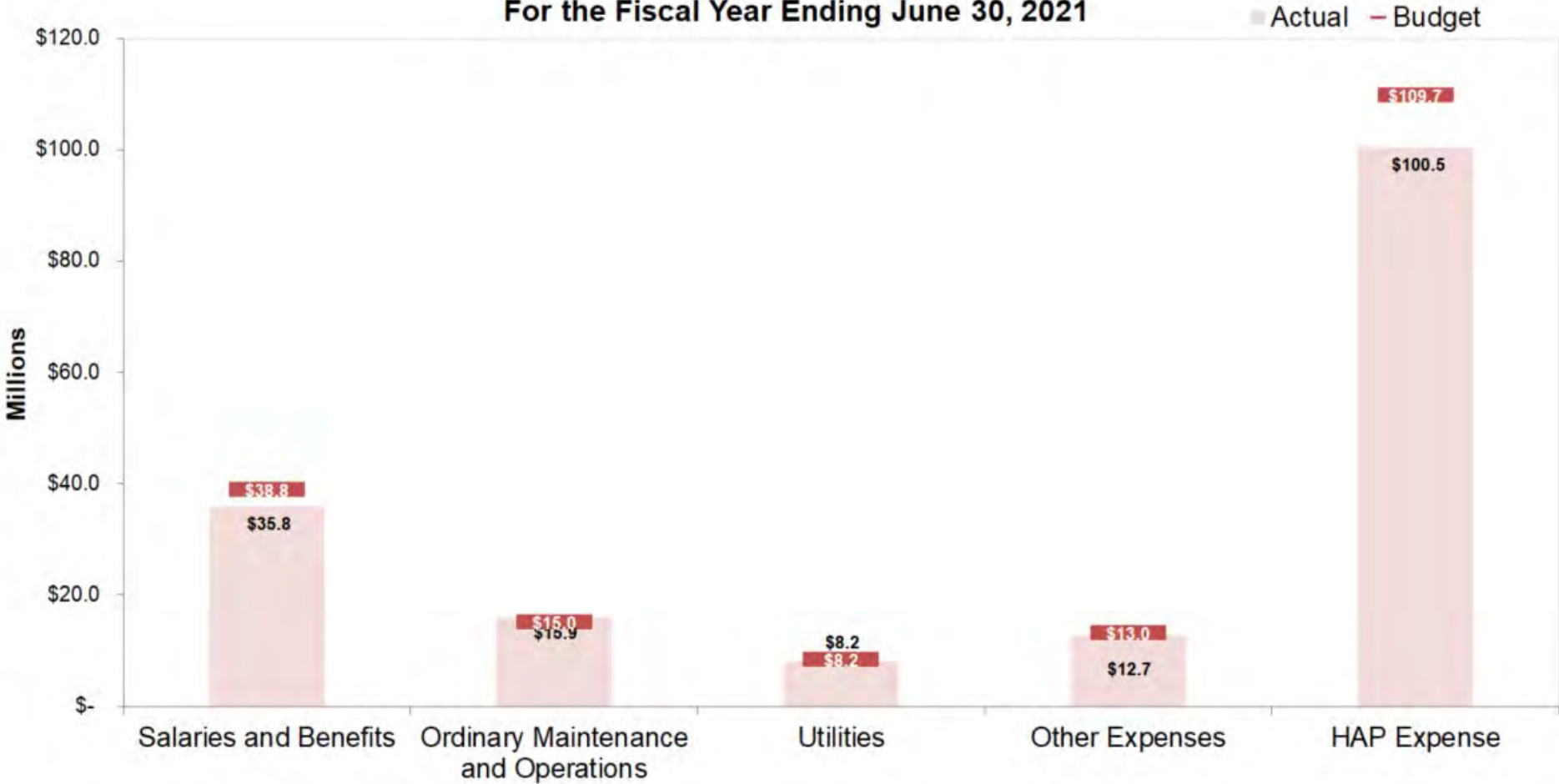
**San Antonio Housing Authority
Financial Performance Report
As of June 30, 2021
(UNAUDITED)**

IV. MTW Expenditures

| Projects | Cumulative Expenditure Balance as of 06/30/21 |
|------------------------------------|--|
| <hr/> | |
| Community Development Initiatives | \$ 1,438,829 |
| Public Housing Operating Loss | 973,614 |
| Capital Planning | 359,742 |
| Expansion of Public Housing Wifi | 451,993 |
| Development Activities: | |
| East Meadows Development | 668,629 |
| Legacy at Alazan | (52,510) |
| 100 Labor Multi Family Development | 3,786,280 |
| Rosemont at Highland Park | 1,000,000 |
| Costa Valencia | 328,284 |
| Total | \$ 8,954,861 |
| | <hr/> <hr/> |



Operating Expenses
For the Fiscal Year Ending June 30, 2021



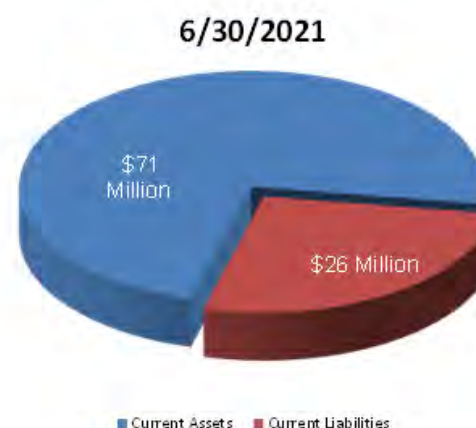
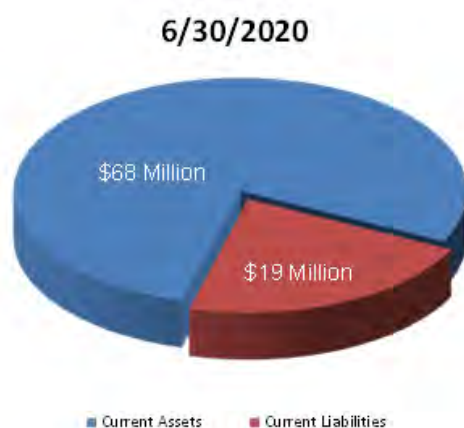
SAHA experienced an increase in debt-to-equity ratio but remains financially strong

Financial Strength



The debt-to-equity ratio increased from 0.43 to 0.56 due primarily to acquisitions of various partnerships.

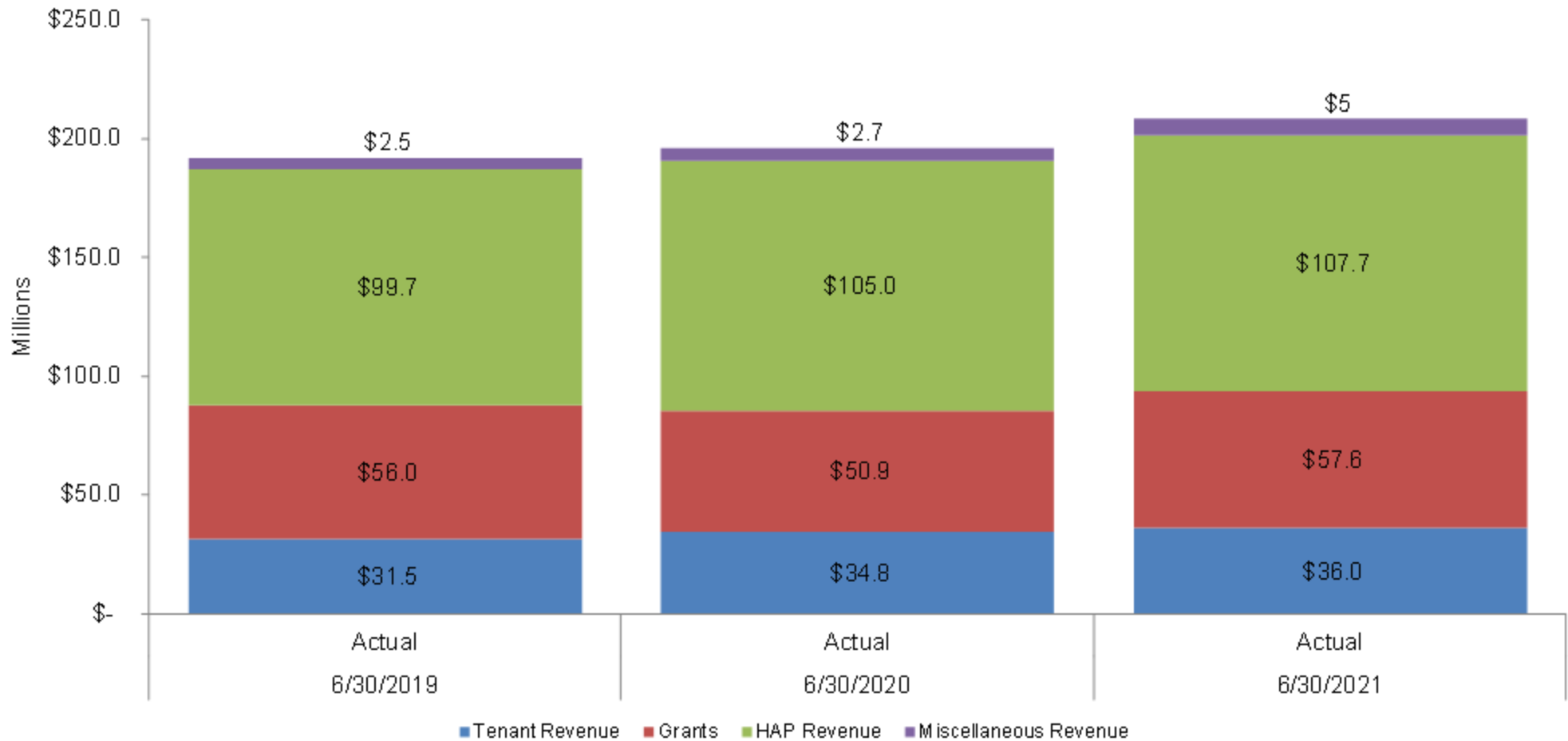
Financial Liquidity



The current ratio decreased from 3.58 to 2.73 but remains an indicator of SAHA's strong capacity to meet its short-term financial commitments.

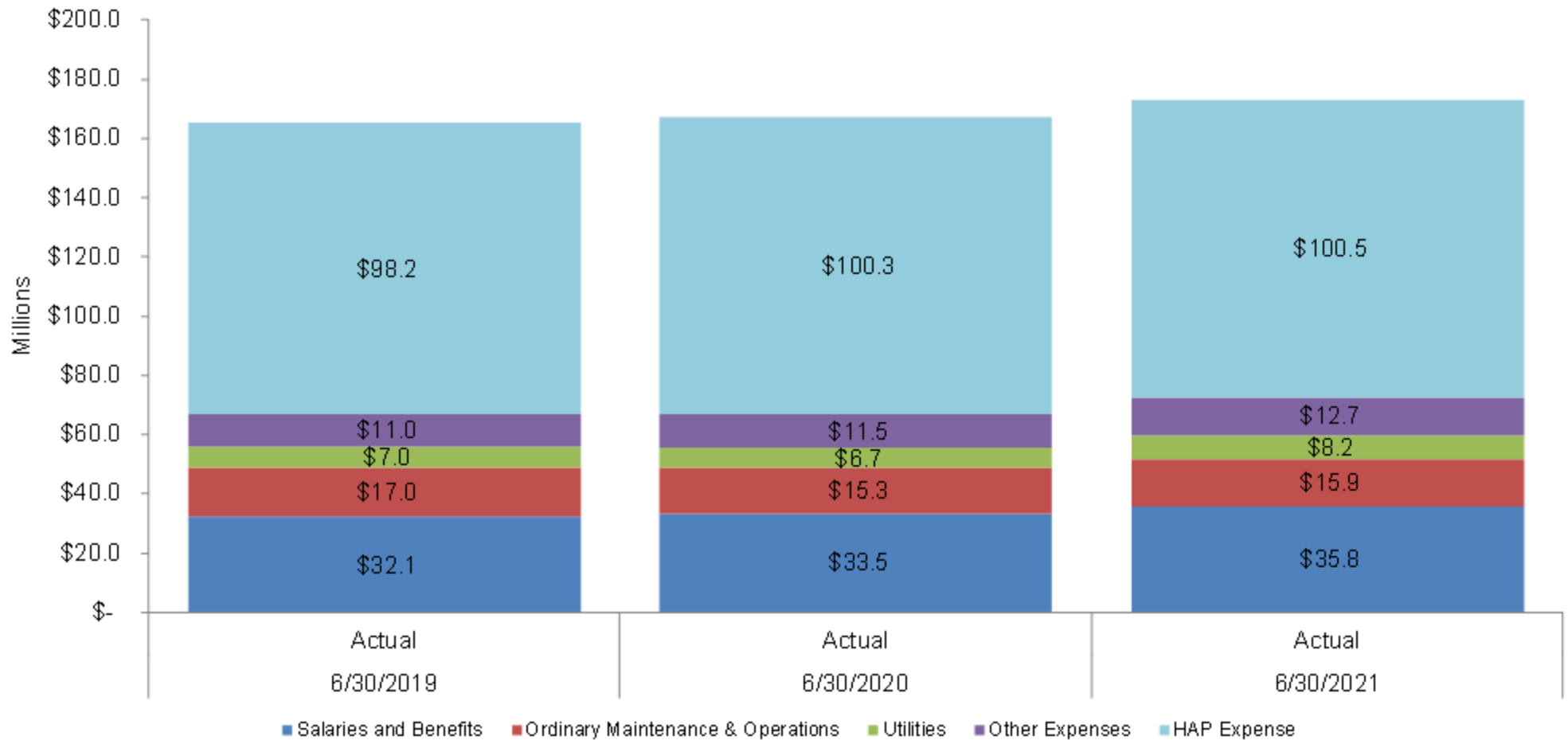
Total Revenue was approximately 6% higher compared to the previous year with Grants Revenue the primary contributor

Revenue - Fiscal Year Comparison



Total Expenses were 3% higher compared to the previous year caused primarily by higher Salaries and Benefits.

Expenses - Fiscal Year Comparison



Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending June 30, 2021

The overall cash and investment balance increased by \$36 thousand over the previous quarter primarily due to the receipt of payments from various tax credit partnerships offset by cash payments to vendors for ongoing capital projects at various Beacon and Public Housing properties.

Cash

Unrestricted Cash

- **Central Office Cost Center** - There is a net cash increase of approximately \$5.4 million over the previous quarter primarily due to the maturity of a T-Bill investment. **For information on the investments, see Investments- Unrestricted Investments at Various Banks- Central Office Cost Center on the report.**
- **Public Housing** - There is a net cash increase of approximately \$11.1 million over the previous quarter primarily due to the reclassification of proceeds received from various insurance claims and a legal settlement to unrestricted resources, and the maturity of a T-Bill investment. **For information on the investments, see Investments- Unrestricted Investments at Various Banks- Public Housing on the report.**
- **Project Based Properties** - There is a net cash increase of approximately \$4.5 million due to the reclassification of restricted net proceeds from the refinance of a Beacon community to unrestricted cash, and the maturity of two T-Bill investments. **For information on the investments, see Investments- Unrestricted Investments at Various Banks- Project Based Properties on the report.**
- **Properties under SAHFC** - There is a net cash increase of approximately \$2 million primarily due to the maturity of a T-Bill investment, net of the transfers out to related parties for repayment of notes receivables, internal fees, and intercompany reimbursements. **For information on the investments, see Investments- Unrestricted Investments at Various Banks- Properties under SAHFC on the report.**
- **Other Beacon Properties Cash** - There is a net cash increase of approximately \$5.2 million primarily due to the transfer in of restricted bonds funds held with the Bank of New York, and the maturity of three T-Bill investments. **For information on the investments, see Investments- Unrestricted Investments at Various Banks- Other Beacon Properties on the report.**

Restricted Cash

- **Public Housing** - There is a net cash increase of approximately \$4.8 million primarily due to the maturity of three T-bill investments, net of the reclassification of proceeds received from various insurance claims and a legal settlement to unrestricted resources. **For information on the investments, see Investments- Unrestricted Investments at Various Banks and Restricted Investments at Various Banks- Public Housing on the report.**
- **Project Based Properties** - There is a net cash decrease of approximately \$2.5 million mainly due to the reclassification of net proceeds from the refinance of a Beacon property to unrestricted cash. See above **Cash-Unrestricted Cash – Project Based Properties.**
- **Capital Fund Program** - There is a net cash decrease of approximately \$2 million due to the transfer out of Energy Performance Contract funds to unrestricted cash to settle intercompany balances in connection with conservation projects at various Public Housing properties.

San Antonio Housing Authority
Cash and Investment Summary
June 30, 2021

| | Balance 3/31/2021 | Deposits | Withdrawals | Balance 6/30/2021 |
|---|----------------------|-----------------------|-----------------------|----------------------|
| Cash | | | | |
| Unrestricted Cash: | | | | |
| Central Office Cost Center (1) | 3,930,638 | 8,223,577 | 2,806,319 | 9,347,896 |
| Public Housing (1) | 2,486,344 | 23,251,155 | 12,103,812 | 13,633,687 |
| Section 8 (1) | 5,059,547 | 2,500,521 | 4,391,752 | 3,168,316 |
| Community Development Initiatives | 124,251 | 3,999,680 | 3,981,629 | 142,303 |
| Central Office- Health Insurance (2) | 3,240,817 | 1,422,449 | 1,517,655 | 3,145,611 |
| Homeownership | 63,778 | 13,339 | 11,978 | 65,139 |
| Project Based Properties (1) | 843,244 | 7,722,106 | 3,186,236 | 5,379,114 |
| Properties under SAHFC (3) (4) | 4,706,375 | 10,838,655 | 8,782,334 | 6,762,696 |
| Education Investment Foundation | 812 | 264,456 | 264,782 | 486 |
| Capital Fund Program (1) | 972,982 | 2,769,583 | 3,742,565 | - |
| Development Activities under SAHFC | 1,426,350 | 1,575,617 | 1,516,651 | 1,485,316 |
| Other Beacon Properties Cash (5) | 3,364,092 | 8,330,279 | 3,125,137 | 8,569,234 |
| Other Unrestricted Cash | 3,350,690 | 46,709,101 | 44,040,104 | 6,019,687 |
| Sub-Total: | 29,569,921 | 117,620,520 | 89,470,954 | 57,719,487 |
| Restricted Cash: | | | | |
| Central Office Cost Center | 250,739 | - | 50,855 | 199,884 |
| Public Housing | 8,564,804 | 13,504,796 | 8,731,839 | 13,337,761 |
| Section 8 | 1,569,409 | 30,194,424 | 28,573,358 | 3,190,475 |
| Project Based Properties | 3,277,827 | 852 | 2,482,523 | 796,156 |
| Properties under SAHFC | 14,421,030 | 1,031,612 | 1,510,535 | 13,942,107 |
| Education Investment Foundation | 54,246 | - | 2,500 | 51,746 |
| Capital Fund Program | 6,735,403 | 42 | 2,025,837 | 4,709,608 |
| Development Activities under SAHFC | 878,543 | 1,178,936 | 681 | 2,056,797 |
| Non-Profit-Other Restricted | 534,374 | 56,303 | 5,047 | 585,629 |
| Other Restricted Cash | 835,446 | 331,486 | 65,986 | 1,100,946 |
| Endowment Trust | 558,610 | 12 | 13,686 | 544,937 |
| Sub-Total: | 67,250,353 | 163,918,981 | 132,933,800 | 98,235,534 |
| Investments | | | | |
| Unrestricted Investments at Various Banks: | | | | |
| Central Office Cost Center (1) | 4,999,678 | 322 | 5,000,000 | - |
| Public Housing (1) | 4,813,276 | 310 | 4,813,586 | - |
| Project Based Properties (1) | 2,124,863 | 137 | 2,125,000 | - |
| Properties under SAHFC | 4,792,691 | 309 | 4,793,000 | - |
| Development Activities under SAHFC | 193,987 | 13 | 194,000 | - |
| Other Beacon Properties | 3,549,771 | 229 | 3,550,000 | - |
| Restricted Investments at Various Banks: | | | | |
| Public Housing | 8,435,871 | 544 | 8,436,414 | - |
| Properties under SAHFC | 937,940 | 60 | 938,000 | - |
| Other Restricted Investments | 2,171,220 | 1,507,076 | 2,608,638 | 1,069,658 |
| Sub-Total: | 32,019,296 | 1,509,000 | 32,458,638 | 1,069,658 |
| Total Cash & Investments: | \$ 99,269,649 | \$ 165,427,981 | \$ 165,392,438 | \$ 99,305,192 |

- (1) Cash and Investments related to federal programs
- (2) Cash and Investments related to self insurance program
- (3) Includes \$519 Thousand in funds earmarked for capital projects at three Beacon communities
- (4) Includes \$780 Thousand in cash from acquired tax credit partnerships internally restricted by the Limited Partnership Agreements
- (5) Includes \$78 Thousand in cash earmarked for capital repairs at one Beacon community

**San Antonio Housing Authority
Cash Held for Tax Credit Partnerships
June 30, 2021**

| | 3/31/2021 | Deposits | Withdrawals | 6/30/2021 |
|---|--------------|------------|-------------|--------------|
| Cash from Tax-Credit Partnerships | 1,894,609 | 633,018 | 815,573 | 1,712,054 |
| Total Cash Held for Partnerships Managed by SAHA: | \$ 1,894,609 | \$ 633,018 | \$ 815,573 | \$ 1,712,054 |

**San Antonio Housing Authority
Collateralization
June 30, 2021**

| | Total Deposits | Deposits Covered by FDIC | Deposits Covered by Collateral | Pledged Collateral |
|---|----------------|--------------------------|--------------------------------|--------------------|
| Frost National Bank | \$ 89,160,800 | \$ 500,000 | \$ 89,160,800 | \$ 95,226,875 |
| Lument Capital, LLC | \$ 1,296,474 | \$ 884,697 | \$ - | \$ - |
| US Bank | \$ 878,127 | \$ - | \$ - | \$ - |
| Bank of New York - Woodhill | \$ 334,696 | \$ - | \$ - | \$ - |
| Bank of New York - Sendero | \$ 153,280 | \$ - | \$ - | \$ - |
| Bank of New York - Converse Ranch II | \$ 263,503 | \$ - | \$ - | \$ - |
| Wells Fargo - Rosemont at Highland Park | \$ 192,900 | \$ - | \$ - | \$ - |
| Walker & Dunlop - Converse Ranch I | \$ 497,980 | \$ 333,443 | \$ - | \$ - |
| Walker & Dunlop - Bella Claire | \$ 53,613 | \$ 53,613 | \$ - | \$ - |
| Walker & Dunlop - SAHFC | \$ 391,816 | \$ 391,816 | \$ - | \$ - |
| Berkadia Commercial Mortgage, LLC | \$ 111,609 | \$ 111,609 | \$ - | \$ - |
| Total Collateralized deposits: | \$ 93,334,799 | \$ 2,275,179 | \$ 89,160,800 | \$ 95,226,875 |

FDIC has made permanent the standard coverage - all funds in noninterest-bearing accounts are fully insured up to \$250,000

The accompanying Cash and Investment Summary Report has been prepared in accordance with the compliance requirements of the Texas Public Funds Investment Act, Chapter 2256. As the Investment Officer for the San Antonio Housing Authority I certify that all investments in our portfolio comply with the investment strategy expressed in SAHA's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.

DocuSigned by:

Diana Fiedler

7/30/2021

Diana K. Fiedler, CPA, CGMA

Investment Officer, Director of Finance and Accounting

DocuSigned by:


Ed Hinojosa

7/30/2021

Ed Hinojosa Jr.

President & CEO

GRANTS REPORT AS OF June 30, 2021



CAPITAL GRANTS

n Unmet expenditure deadline approaching within 6 Months
n Unmet obligation deadline approaching within 12 Months
Grant expenditure is not progressing as planned

| Grant Number | Obligation End Date | Expenditure End Date | Amount to be Obligated by End Date | LOCCS Authorized | Cumulative PHA Obligated | Unobligated Amount | Obligation Percentage | Cumulative GL PHA Expended | Expended Percentage | LOCCS Disbursement |
|---|---------------------|----------------------|------------------------------------|------------------|--------------------------|--------------------|-----------------------|----------------------------|---------------------|-------------------------|
| Capital Fund Program (CFP) Capital Projects at various PH Properties | | | | | | | | | | |
| TX59P006501-10 | 07/14/12 | 07/14/14 | \$ 8,770,114.80 | \$ 9,744,572.00 | \$ 9,744,572.00 | \$ - | 100% | \$ 9,744,572.00 | 100% | \$ 9,744,572.00 (1) |
| *Major Projects: Marie McGuire | | | | | | | | | | |
| TX59P006501-11 | 08/02/13 | 08/02/15 | \$ 7,336,199.70 | \$ 8,151,333.00 | \$ 8,151,333.00 | \$ - | 100% | \$ 8,151,333.00 | 100% | \$ 8,151,333.00 (1) |
| *Major Projects: Blanco, Marie McGuire, Westway | | | | | | | | | | |
| TX59P006501-12 | 03/11/14 | 03/11/16 | \$ 6,669,297.00 | \$ 7,410,330.00 | \$ 7,410,330.00 | \$ - | 100% | \$ 7,410,330.00 | 100% | \$ 7,410,330.00 (1) |
| *Major Projects: Fair Avenue, South San, Sun Park | | | | | | | | | | |
| TX59P006501-13 | 09/08/15 | 09/08/17 | \$ 6,472,918.80 | \$ 7,192,132.00 | \$ 7,192,132.00 | \$ - | 100% | \$ 7,192,132.00 | 100% | \$ 7,192,132.00 (1) |
| *Major Projects: Lewis Chatham, Jewett Circle, Westway | | | | | | | | | | |
| TX59P006501-14 | 05/12/16 | 05/12/18 | \$ 6,564,698.10 | \$ 7,294,109.00 | \$ 7,294,109.00 | \$ - | 100% | \$ 7,294,109.00 | 100% | \$ 7,294,109.00 (1) |
| *Major Projects: Westway, Charles Andrews, Cassiano Homes | | | | | | | | | | |
| TX59P006501-15 | 04/12/17 | 04/12/19 | \$ 6,785,826.30 | \$ 7,539,807.00 | \$ 7,539,807.00 | \$ - | 100% | \$ 7,539,807.00 | 100% | \$ 7,539,807.00 (1) |
| *Major Projects: Charles Andrews, HB Gonzalez | | | | | | | | | | |
| TX59P006501-16 | 04/12/18 | 04/12/20 | \$ 7,024,842.00 | \$ 7,805,380.00 | \$ 7,805,380.00 | \$ - | 100% | \$ 7,805,380.00 | 100% | \$ 7,805,380.00 (1)(2) |
| *Major Projects: Westway, WC White | | | | | | | | | | |
| TX59P006501-17 | 08/15/19 | 08/15/21 | \$ 7,176,040.20 | \$ 7,973,378.00 | \$ 7,973,378.00 | \$ - | 100% | \$ 7,973,378.00 | 100% | \$ 7,973,378.00 (1)(3) |
| *Major Projects: Victoria Plaza, Villa Tranchese | | | | | | | | | | |
| TX59P006501-18 | 05/28/21 | 05/28/23 | \$ 11,098,890.00 | \$ 12,332,100.00 | \$ 12,332,100.00 | \$ - | 100% | \$ 12,332,100.00 | 100% | \$ 12,332,100.00 (1)(4) |
| *Major Projects: Victoria Plaza, Fair Avenue | | | | | | | | | | |
| TX59P006501-19 | 10/15/22 | 10/15/24 | \$ 11,636,649.90 | \$ 12,929,611.00 | \$ 12,929,611.00 | \$ - | 100% | \$ 11,718,421.11 | 91% | \$ 10,950,100.14 (5) |
| *Major Projects: Victoria Plaza, Fair Avenue | | | | | | | | | | |
| TX59P006501-20 | 09/25/23 | 09/25/25 | \$ 11,827,386.00 | \$ 13,141,540.00 | \$ 10,946,038.69 | \$ 2,195,501.31 | 83% | \$ 4,406,910.27 | 34% | \$ 4,148,245.47 (6) |
| *Major Projects: Madonna, L.C. Rutledge | | | | | | | | | | |
| TX59P006501-21 | 02/22/23 | 02/22/25 | \$ 11,865,870.90 | \$ 13,184,301.00 | \$ 2,636,860.00 | \$ 10,547,441.00 | 20% | \$ - | 0% | \$ - (7) |
| *Major Projects: Mirasol, Francis Furey | | | | | | | | | | |
| TX59E006501-18 | 08/12/21 | 08/12/22 | \$ 225,000.00 | \$ 250,000.00 | \$ - | \$ 250,000.00 | 0% | \$ - | 0% | \$ - |
| *Major Projects: Riverside, Villa Veramendi | | | | | | | | | | |
| Urban Revitalization Program (Hope 6) (URP) Choice Neighborhood Grant | | | | | | | | | | |
| TX6J006CNG112 | 09/30/19 | 09/30/19 | | \$ 29,652,649.09 | \$ 29,652,649.09 | \$ - | 100% | \$ 29,652,649.09 | 100% | \$ 29,652,649.09 (1) |
| *Implementation grant for Wheatley Neighborhood | | | | | | | | | | |

- (1) These grants are expended and disbursed at 100%; however, HUD still requests monthly updates in eLOCCS.
(2) A portion of the 2016 CFP grant contains DDTF funding of \$832,561. Total DDTF funding has been expended.
(3) A portion of the 2017 CFP grant contains DDTF funding of \$854,061. Total DDTF funding has been expended.
(4) A portion of the 2018 CFP grant contains DDTF funding of \$1,204,763. Total DDTF funding has been expended.
(5) A portion of the 2019 CFP grant contains DDTF funding of \$1,269,432. Total DDTF funding has been expended.
(6) A portion of the 2020 CFP grant contains DDTF funding of \$733,624. Total DDTF funding has been expended.
(7) A portion of the 2021 CFP grant contains DDTF funding of \$236,509. No DDTF funding has been expended.

GRANTS REPORT AS OF June 30, 2021

| HUD - PROGRAM GRANTS | | | | | | | | |
|---|----------------|----------------------|------------------|---------------------|--|---------------------|--------------------|-----|
| Grant Number | Effective Date | Expenditure End Date | LOCCS Authorized | Cumulative Expended | PROGRAM GRANTS Grant expenditure is not progressing as planned. | | | |
| | | | | | Expended Percentage | Remaining to Expend | LOCCS Disbursement | |
| Resident Opportunities & Self Sufficiency (ROSS) Funding for Family Self Sufficiency (FSS) Coordinators | | | | | | | | |
| ROSS191334 | 05/13/19 | 05/12/22 | \$ 508,761.00 | \$ 284,888.21 | 56% | \$ 223,872.79 | \$ 271,169.80 | (8) |
| *2018 ROSS Service Coordinators | | | | | | | | |
| FSS21TX4127-01-00 | 01/01/21 | 12/31/21 | \$ 936,002.00 | \$ 219,269.56 | 23% | \$ 716,732.44 | \$ 157,371.32 | |
| *PH & HCV Combined FSS 2020 | | | | | | | | |
| Jobs Plus Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents | | | | | | | | |
| TX006FJP6JPH20 | 05/14/21 | 09/30/28 | \$ 2,300,000.00 | \$ - | 0% | \$ 2,300,000.00 | \$ - | |
| *Jobs Plus - Lincoln Heights | | | | | | | | |

| NON-HUD - PROGRAM GRANTS | | | | | | | |
|--|-------------------------|--------------|---------------------|---------------------|---------------------|------------------------|-----|
| Grant Number | Performance Date | Award Amount | Cumulative Expended | Expended Percentage | Remaining to Expend | Reimbursement Received | |
| Alamo Colleges Health Professions Opportunity Grant (HPOG) | | | | | | | |
| HPOG Grant 2020 | 09/30/20 - 09/29/21 | \$ 62,046.00 | \$ 42,700.31 | 69% | \$ 19,345.69 | \$ 26,662.15 | (9) |
| VIA Metropolitan Transit Authority Capital Assistance Program For Elderly Persons and Persons With Disabilities | | | | | | | |
| TX-2021-010-00 *VIA Grant 2021 | 09/25/2020 - 09/30/2021 | \$ 70,900.00 | \$ - | 0% | \$ 70,900.00 | \$ - | |

(8) Grant expenditures are approximately \$68k short of the projected average cumulative expended amount or expended percentage of 69.44%

(9) Grant expenditures are approximately \$3.8k short of the projected average cumulative expended amount or expended percentage of 75.00%

GRANTS REPORT AS OF June 30, 2021

| LIST OF GRANT APPLICATIONS | | | | | | |
|---|--------------|----------------|--------------|-------------------|--------------------|--|
| Grant Name | Award Amount | Date Submitted | Match Amount | Term of the Grant | Application Status | Description |
| Mobile Beacon Wi-Fly Lending Kit | \$10,000 | 09/30/20 | N/A | N/A | Not Awarded | Connect Home Mobile Beacon Wi-Fly Lending Kit |
| Jobs Plus - Lincoln Heights | \$2,300,000 | 12/01/20 | N/A | N/A | Awarded 04/27/21 | HUD Jobs Plus Grant |
| FY20 HUD Lead Based Paint | \$4,861,055 | 12/01/20 | N/A | N/A | Awarded 05/11/21 | HUD Lead Based Paint Grant |
| FY20 HCV Mobility Demonstration Grant | \$5,150,400 | 02/01/21 | N/A | N/A | Not Awarded | HUD HCV Mobility Demonstration Grant |
| FY21 COVID-19 Disaster Response Funding Grant | \$7,000 | 04/29/21 | N/A | N/A | Awarded 05/13/21 | COVID-19 Homebound Older Adult Vaccine |
| FY21 HAI Group Loss Prevention Fund | \$20,000 | 05/31/21 | N/A | N/A | Pending | Housing Authority Insurance Company |
| FY21 HAI Group Loss Prevention Fund | \$49,750 | 05/31/21 | N/A | N/A | Pending | Housing Authority Insurance Company |
| Family Self-Sufficiency Demonstration Development Grant | \$222,038 | 07/02/21 | N/A | N/A | Pending | FSS Administration Grant for Children and Families |
| Community Impact Grant | \$5,000 | 06/29/21 | N/A | N/A | Pending | Home Depot Community Impact Grant |