

**August 4, 2022**  
**9:30 A.M.**

The Board of Commissioners will meet at 502 E. Highland Mall Blvd., 106-B Austin, Texas 78752.

The Board of Commissioners will consider and may take action on the following items:

**I. CALL TO ORDER / ROLL CALL / CONFIRMATION OF QUORUM**

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*MISSION STATEMENT: HATC staff and resident leaders create and preserve a model, sustainable system of affordable housing and resident empowerment services for those most in need.*

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**II. CONSENT AGENDA**

- A. Approval of the Minutes from the July 7, 2022 Regular Meeting

**III. PUBLIC FORUM / CITIZEN COMMUNICATION**

- *Anyone desiring to discuss or comment on items directly related to the HATC is always welcome.*
- *If the item is deemed related to an Agenda item at the current meeting, the presiding officer will inform the citizen that pending action(s) remain.*
- *Speakers must sign-in prior to the start of the Board Meeting by emailing Erika Hultquist at [erika.hultquist@traviscountytexas.gov](mailto:erika.hultquist@traviscountytexas.gov)*
- *Maximum three-minute limit per speaker*

**IV. REGULAR AGENDA**

- A. Smith and Marion Audit of FY 2021 Review

**V. CEO / EXECUTIVE DIRECTOR'S REPORT**

- A. Voucher Programs/ Homeless Initiatives - *Christina Montes*

1. HCV Program (Conventional)
2. Homeless Initiatives
3. Special Purpose Vouchers

- B. Affordable Housing Programs - *Carlos Guzman*

- C. Real Estate Development - *Robert Onion / Keith Hoffpauir*

1. Eastern Oaks
2. Manor Town, Phase II

- D. Finance - *Subra Narayanaier*

- E. HATC Foundation/Human Resources/Org. Development – *Steve Peglar*

**VI. BOARD COMMITTEE REPORTS**

- A. Real Estate Development Committee
- B. Governance Committee
- C. HR Committee
- D. Quality of Life Committee

**VII. NEW / UNFINISHED BUSINESS**

- A. Discussion and consideration regarding Board of Commissioners issues and concerns.

**VIII. EXECUTIVE SESSION**

- *The Board of Commissioners may consider any item posted on the Agenda in Executive Session if there are issues that require consideration, and the Board of Commissioners announce that the item will be considered during such time in accordance with one or more of the following:*
  - *Texas Government Code Annotated 551.071, Consulting with Attorney*
  - *Texas Government Code Annotated 551.072, Real Property*
  - *Texas Government Code Annotated 551.074, Personnel Matters*
  - *Texas Government Code Annotated 551.076, Security*
  - *Texas Government Code Annotated 551.087, Economic Development Negotiations*

**IX. ADJOURNMENT**

**HOUSING AUTHORITY OF TRAVIS COUNTY  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
502 East Highland Mall Blvd., Suite 106-B  
Austin, Texas 78752  
July 7, 2022  
9:30 a.m.**

**MINUTES**

The Housing Authority of Travis County, Texas, held a Regular Board of Commissioners meeting at 502 East Highland Mall Blvd., 106-B Austin, TX 78752 and via Zoom.

<https://us02web.zoom.us/j/85423715742?pwd=STBYZDNSMWhXem5GVGRoNGtOczdjZz09>

**I. CALL TO ORDER**

Chair Ann Denton called the meeting to order at 9:56 a.m.

**ROLL CALL / CONFIRMATION OF QUORUM**

Roll Call of Commissioners: Chair Ann Denton; Vice-Chair Sharal Brown; Commissioner Wilmer Roberts; Commissioner Christina Rosales; and Commissioner Jimmy Paver.

CEO/Executive Director Patrick Howard certified the quorum.

Staff in Attendance: CEO/Executive Director Patrick Howard; Executive Assistant Omar Nesbit; Director of Real Estate Development Robert Onion; Asset Manager Keith Hoffpauir; Director of Voucher Programs and Homeless Initiatives Christina Montes; Director of Finance and Administration Subra Narayanaier; Director of Affordable Housing Carlos Guzman; Foundation Coordinator Eric Lindholm; Deputy Executive Director Steve Peglar.

**II. CONSENT AGENDA**

- A. Approval of the Minutes from the June 2, 2022 Regular Meeting

Commissioner Christina Rosales made a **motion** to approve Item II.A. Vice-Chair Sharal Brown seconded the motion, which **passed** unanimously.

**III. PUBLIC FORUM / CITIZEN COMMUNICATION**

There was no citizen communication.

#### IV. ACTION ITEM

A. Resolution No. HATC-2022-06	To <u>Adopt</u> the 2022 Payment Standards change effective August 1, 2022, for all applicable programs.
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Director of Voucher Programs and Homeless Initiatives Christina Montes briefed the Board of Commissioners on Resolution No. HATC-2022-06, whereby she stated that Payment Standards are annually published by HUD, which is used to calculate the housing assistance payment by Public Housing Authorities. Christina Montes expressed the necessity to make the Payment Standards comparable to the rising rents in Travis County/Austin.

Commissioner Christina Rosales inquired if HATC utilizes Small Area Fair Market Rent (SAFMR), in which CEO/Executive Director Patrick Howard stated that HATC didn't utilize SAFMR because of extreme challenges that other Public Housing Authorities subsequent to implementing this strategy. However, Patrick Howard stated that he'd be willing to further explore the realities of SAFMR for HATC.

Vice-Chair Sharal Brown made a motion to **approve** item IV.A. Resolution No. HATC-2022-06. Commissioner Wilmer Roberts seconded the motion, which **passed** unanimously.

#### V. REGULAR AGENDA

##### A. Update on Online Message Board

Patrick Howard refreshed the Board on the origin of the Online Message Board, which was posed by a member of the Strategic Housing Finance Corporation's Board of Directors. The Message Board will serve as a method in which Board members can exchange messages, encompassing official business, and the public has the ability to access this information/participate in discussions. Mr. Howard stated that HATC Staff met with our web developer and Travis County Information Technology Services to discuss the feasibility of implementing this feature. Soon, Staff plan to provide a sample of the Online Message Board.

Commissioner Wilmer Roberts inquired if the Online Message Board was compliant with the Texas Open Meetings Act (TOMA), in which he was told that there are provisions in the TOMA that allow for such.

#### VI. CEO / EXECUTIVE DIRECTOR's REPORT

##### A. Voucher Programs/ Homeless Initiatives – *Christina Montes*

*Christina Montes* outlined her team's 30-day priorities to include tending to affairs related to the Housing Choice Voucher (HCV) waitlist – which was open from July 1 to July 8, 2022, engaging new partners for Continuum of Care (CoC) supportive services due to the limited capacity of Integral Care, and amending the HCV Administrative Plan.

B. Affordable Housing Programs - *Carlos Guzman*

*Carlos Guzman* discussed his team's 30-day priorities which included increasing occupancy, resolving subsidy issues, and preparing for an audit on Manor Town. Additionally, Carlos highlighted occupancy rates for each HATC property.

- SEA Oaks: 84% occupancy
- SEA RAD: 73.33% occupancy
- Manor Town: 78.79% occupancy
- Carson Creek: 100.00% occupancy

Chair Ann Denton mentioned that it would be useful to review the guidelines for tenant qualifications to minimize the barrier of entry.

Vice-Chair Sharal Brown sought an answer on the number of applicants on our waitlist, in which Carlos Guzman stated, "over 300".

C. Real Estate Development - *Keith Hoffpauir*

*Keith Hoffpauir* highlighted the team's 30-day priorities which included the continued coordination with TDHCA regarding Eastern Oaks' draw request and completing all due diligence documents for Manor Town.

Vice-Chair Sharal Brown inquired about the process for SHFC selecting contractors, and the tolerable margin for the cost increase in construction. Keith Hoffpauir said that a Request for Proposals was posted for the recruitment/selection of a contractor, and the increase in construction cost hasn't been realized yet, but it is generally trending upward.

Chair Ann Denton sought clarity on the timeframe from when construction begins to when units are "move-in" ready. "14 months" was the answer that was provided to Ann Denton.

D. Finance – *Subra Narayanaier*

*Subra Narayanaier* highlighted his team's 30-day priorities including finalizing the audit report for SHFC, overseeing the completion of accounting tasks in a timely manner, and exploring the Moving To Work (MTW) financial reporting requirements.



E. HATC Foundation – *Eric Lindholm*

*Eric Lindholm* highlighted the HATC Foundation's 30-day priorities to include advertising the HATC Foundation Scholarship, soliciting donations for HATC Foundation's Back-to-School Drive, and partnering with outside organizations for digital inclusion initiatives.

Vice-Chair Sharal Brown stated that she was pleased with the work that the Foundation is carrying out and sought clarity on the total amount the Foundation gives out for recipients attending 2-year colleges vs. 4-year institutions. HATC Foundation grants recipients a full-ride scholarship for attending 2-year colleges and \$2,500 for recipients attending 4-year institutions.

F. Human Resources/Org. Development – *Steve Peglar*

*Steve Peglar* underscored Human Resources/Organizational Development's 30-day priorities to include revising the Personnel Policy, the development of a Performance Management System, and working with the HATC Foundation to attract partnerships. Additionally, Steve Peglar mentioned scheduled/completed items relating to organizational and professional development:

- Policy/Training development
- Strategic Plan implementation/tracking
- Professional development opportunities
- Collaboration with HATC Foundation's leadership

**VII. BOARD COMMITTEE REPORTS**

- A. Real Estate Development Committee – Did Not Meet
- B. Governance Committee – Did Not Meet
- C. HR Committee – Did Not Meet
- D. Quality of Life – Did Not Meet

**VIII. NEW / UNFINISHED BUSINESS**

- A. Discussion and consideration regarding Board of Commissioners issues and concerns.

CEO/Executive Director Patrick Howard informed the Board of Commissioners that he and the SHFC Board of Directors will be holding a work session with the Travis County Commissioners Court, which they hope will become a recurring meeting. Patrick Howard shared that he believes it will be beneficial for Board leadership, at a minimum, to also participate in a joint meeting with the Travis County Commissioners Court.

Chair Ann Denton expressed her support for Patrick Howard's recommendation but did state that HATC having an individual meeting with Travis County Commissioners Court, separate from SHFC, would be favorable.

**IX. EXECUTIVE SESSION**

There was no Executive Session.

## **X. ADJOURNMENT**

Vice-Chair Sharal Brown made a **motion** to adjourn the Board meeting. Commissioner Wilmer Roberts seconded the motion, which **passed** unanimously.

The Board meeting adjourned at 10:37 a.m.

Respectfully submitted and approved,

*Patrick B. Howard*

Patrick Howard, CEO/Executive Director

**HATC Discussion Item IV. A.**

**Finance**

**August 4, 2022**

**Subject: Present HATC Audit Report for 18-month ended 12/31/2021**

Present the HATC Audit Report for 18-month period ended 12/31/2021.

Chad Porter, Partner with Smith & Marion PC will be at the Board Meeting to answer question related to the audit and audit report

**Recommended Action:**

For discussion/information only. No action needed.

**Alternate Option:**

N/A

**Fiscal Impact:**

N/A

**Attachment:**

A. HATC Audit Report for year ended 12/31/2021

**Prepared by:**

Subra Narayanaier, CPA, Director of Finance

**Approval:**

*Patrick B. Howard*

Patrick B. Howard, CEO/Executive Director





# **HOUSING AUTHORITY OF TRAVIS COUNTY, TEXAS**

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**Financial Statements & Independent Auditors' Report**

**For the Eighteen Months Ended December 31, 2021**

**SM&Co**

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Smith Marion & Co. • Certified Public Accountants  
Brentwood Office • 5141 Virginia Way, Suite 400 • Brentwood, TN 37027 • (615) 309-8959

Board of Commissioners  
Housing Authority of Travis County, Texas  
Austin, TX

## Independent Auditors' Report

### Report on the Financial Statements

#### ***Opinions***

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of Housing Authority of Travis County, Texas, as of and for the eighteen months ended December 31, 2021, and the related notes to financial statements, which collectively comprise Housing Authority of Travis County, Texas's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Housing Authority of Travis County, Texas, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the eighteen months then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the aggregate discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of Housing Authority of Travis County, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of Travis County, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of Travis County, Texas's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of the pension plan's contributions* located at i-viii and 32-33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Housing Authority of Travis County, Texas's basic financial statements. The supplemental information as shown in table of contents and the schedule of expenditures of federal awards, which is required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements.



That information is 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. In our opinion that information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2022, on our consideration of the 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 Housing Authority of Travis County, Texas'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 Housing Authority of Travis County, Texas's internal control over financial reporting and compliance.

A handwritten signature in blue ink, reading "Smith Martin &amp; Co.", is positioned above the date.

July 11, 2022



# Housing Authority of Travis County, Texas

Management's Discussion & Analysis  
Eighteen Months Ended December 31, 2021

## MANAGEMENT DISCUSSION & ANALYSIS

Management of the Housing Authority of Travis County, Texas (interchangeably referred to as HATC or the "Authority") provides this narrative overview and analysis of the Authority's financial activities and operations for the year ended December 31, 2021. This discussion and analysis is designed to assist in focusing on significant financial issues, provide an overview of the Authority's financial activity, and identify changes in the Authority's financial position. This information should be used in conjunction with the Authority's audited financial statements to obtain a full understanding of its financial position, results of operations, changes in net position, and cash flows.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments* ("GASB 34"). The Authority's basic financial statements include the financial information of its legally separate component units. The Authority presents both blended and discrete component units. Because some of the Authority's Board of Commissioners are the same as the Directors of its component units, the component unit's financial information is presented as blended within the Authority as required by GASB. The component units whose financial information is blended within the Authority's financial statements are the following:

- Travis County Development Corporation (TCDC)
- Travis County Facilities Corporation (TCFC)
- HATC Foundation (HATCF)
- SEA RAD GP, LLC (SEA RAD GP)

In accordance with GASB 34, this Management Discussion and Analysis focuses on the activities of the primary government (the Authority).

## FINANCIAL HIGHLIGHTS

The Authority operates a Section 8 Housing Choice Vouchers Program with 651 HUD approved tenant-based units along with 19 project-based units. The Authority through Continuum of Care Grants operates a homeless program with approximately 90 units. These units are a joint effort of the Authority and the Austin Travis County Integral Care Agency. The Authority operates a 30-unit multifamily housing that is funded by the U.S. Department of Housing & Urban Development (HUD) under the SB RAD PBRA program. In addition, the Authority owns and operates 49 units of affordable housing that is non-HUD funded.

The Housing Authority of Travis County (HATC) changed its fiscal year-end from June 30 to December 31. The prior audited financial statements & report was for year-ending June 30, 2020. In order to align the fiscal year to the new year-end, the Authority adopted an 18-month fiscal year beginning July 1, 2020 and ending December 31, 2021. Therefore, the current year financial statements being audited is for a period of 18-months ending December 31, 2021. The comparative data presented here is for the 18-month fiscal year-ending December 31, 2021, compared to the prior 12-month fiscal year-ending June 30, 2020.

- Assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,611,577. This amount, also referred to as Net Position, increased over last year by \$4,537,879.
- The Authority's unrestricted cash balance as of December 31, 2021, was \$5,922,921.
- The Authority had total operating revenues of \$21,615,797 and total operating expenses of \$17,126,864 for the year ended December 31, 2021, resulting in operating income of \$4,537,879.

## Housing Authority of Travis County, Texas

Management's Discussion & Analysis  
For the Eighteen Months Ended December 31, 2021

### REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Position (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses, and changes in net position are accounted for in the Statement of Revenues, Expenses, and Change in Net Position. This statement measures the success of the Authority's operations over the past fiscal year.

The Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations.

### FINANCIAL ANALYSIS OF THE AUTHORITY

The Statement of Net Position and the Statement of Revenues, Expenses, and Change in Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Position is presented below.

	December 31, 2021	June 30, 2020	Change	
			Dollar	Percentage
Cash & cash equivalents	5,930,328	1,491,997	4,438,331	297%
Restricted cash	1,896,408	1,831,372	65,036	4%
Other current assets	512,072	1,324,105	(812,033)	-61%
Capital assets, net	5,890,488	2,855,535	3,034,953	106%
Investment - non-current	406,032	400,000	6,032	2%
Net pension assets	16,835	7,414	9,421	127%
Deferred outflow of resources	162,705	87,926	74,779	85%
<b>Total Assets &amp; deferred outflows</b>	<b>14,814,868</b>	<b>7,998,349</b>	<b>6,816,519</b>	<b>85%</b>
Current liabilities	2,176,616	905,384	1,271,232	140%
Long term liabilities	4,999,059	4,015,351	983,708	24%
Deferred inflow of resources	27,617	3,916	23,701	605%
<b>Total liabilities &amp; deferred inflows</b>	<b>7,203,292</b>	<b>4,924,651</b>	<b>2,278,641</b>	<b>46%</b>
Net investment in capital assets	4,147,583	1,669,228	2,478,355	148%
Restricted net position	261,660	176,149	85,511	49%
Unrestricted net position	3,202,333	1,228,321	1,974,012	161%
<b>Total net position</b>	<b>\$ 7,611,576</b>	<b>\$ 3,073,698</b>	<b>\$ 4,537,878</b>	<b>148%</b>

## Housing Authority of Travis County, Texas

### Management's Discussion & Analysis For the Eighteen Months Ended December 31, 2021

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Cash & cash equivalents on December 31, 2021, is \$5.9M compared to \$1.49M on June 30, 2020. The increase of \$4.4M (or 297% increase) is primarily due to, i) \$3.5M in developer fees received by Travis County Facilities Corporation (a blended component unit of HATC) for the development of affordable housing by Tech Ridge ATX, LP, ii) \$0.3M in contribution received from Strategic Finance Housing Corporation (SHFC), a related party organization. These funds are dedicated for deeply affordable housing purposes, iii) \$0.2M in cash held to be paid to other Housing Authorities due to overpayments in Port-In Vouchers in the Housing Choice Voucher program, iv) and \$0.5M in the Business Activities primarily due to increased cash held at Carson Creek Apartments and Business Activities Central Administration.

Other Current Assets decreased by 61% (or \$812,033) on December 31, 2021, compared to June 30, 2020, primarily due to the maturity of a certificate of deposit of \$1M held by TCFC. The funds were held as collateral for the development of SEA OAKS (formerly a public housing property under HATC that was converted to RAD LIHTC, and a discrete component unit of HATC). The restrictions and the funds were released in September 2020, and the funds were returned and distributed to HATC-Business Activities and Strategic Finance Housing Corporation (SHFC).

Net Capital assets increased to \$5.89M on December 31, 2021, compared to \$2.85M on June 30, 2020. The increase of \$3M (or 106% increase) is due to the capitalization of rehabilitation costs at SEA RAD (a S8 RAD PBRA that was formerly a public housing property Eastern Oaks Apartments).

The increase in net pension assets of 127% to \$16,835 on December 31, 2021, is the result of actuarial computations reported by the Texas County and District Retirement system (TCDRS) as of the measurement date of December 31, 2020.

Deferred outflow of resources reported \$162,705 on December 31, 2021, a result of reflecting the non-traditional defined benefit pension plan in accordance with GASB 68. This amount reflects items that are not yet recognized in the current period pension expenses – including employer contribution made subsequent to the measurement date (December 31, 2020) through the fiscal year-end (December 31, 2021) and includes changes in actuarial assumptions. See Note 7 to the basic financial statements for additional information.

Current liabilities increased to \$2.1M on December 31, 2021, compared to \$0.9M in June 30, 2020. The increase of 140% or \$1.2M is primarily due to funds borrowed from Strategic Housing Finance Corporation (SHFC), a related party organization to fund the construction of SEA RAD (formerly known as Eastern Oaks Apartments). The reimbursement of the rehabilitation costs is currently pending from the Texas Department of Housing and Community Affairs (TDCHA).

Non-current liabilities increased to \$4.9M on December 31, 2021, compared to \$4M on June 30, 2020. The increase of 24% or \$0.9M is due to the addition of a long-term forgivable loan in the amount of \$1M from the Austin Housing Finance Corporation for the rehabilitation of SEA RAD.

The overall Net Position of the Authority increased by \$4,537,879. This increase is attributed to the capitalization of the rehabilitation of SEA RAD (a RAD PBRA property previously known as Eastern Oaks Apartments) and the developer fees received by the Travis County Facilities Corporation (TCFC) for the private development of Embry Tech Ridge (affordable housing) by Tech Ridge ATX, LP.

# Housing Authority of Travis County, Texas

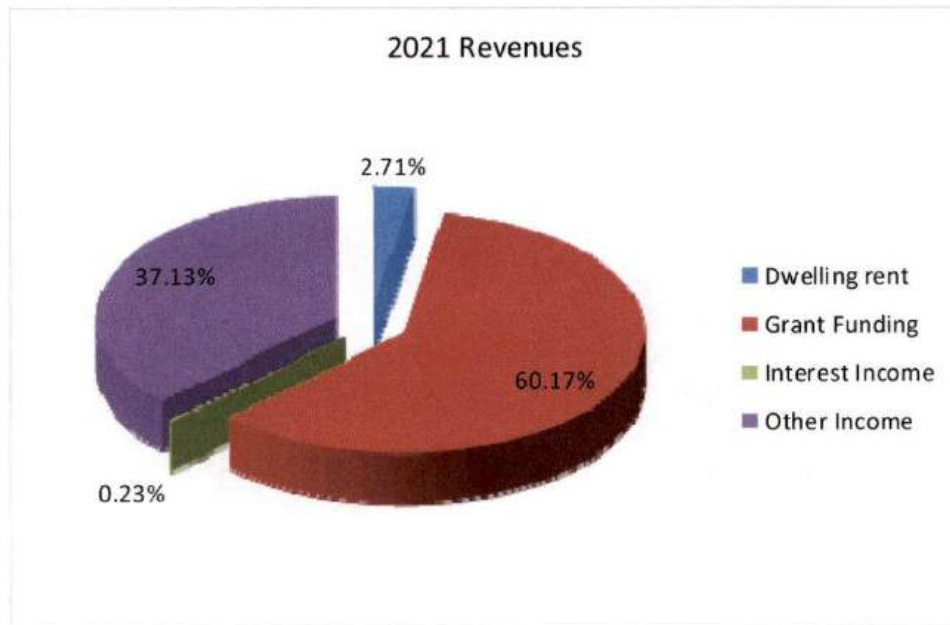
## Management's Discussion & Analysis For the Eighteen Months Ended December 31, 2021

A prior period adjustment was made to the financial statements of SEA OAKS apartments, the discretely presented component unit of HATC. The financial statements for SEA OAKS shown on the current audit report is for 12-month period ending December 31, 2021. The prior audited report for HATC was for period ending June 30, 2020 and it reflected the SEA OAKS financials for 12-month period ending December 31, 2019. Since the housing authority changed the fiscal year-end to December 31, and went to an 18-month fiscal year to align the year-end, an entire fiscal year was skipped in the reporting of SEA OAKS. In order to align the net position to the current year-end, a prior period adjustment in the amount of \$6.2M was made on the financial statements of SEA OAKS shown on this report. The financial statements of SEA OAKS are audited annually by another independent accounting firm as required by the limited partnership agreement, and it is reported in this audited report as a discrete component unit of HATC.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Change in Net Position breaks down our revenues and expenses further. Below provides a comparative statement of these changes. **The amounts presented are monthly averages since June 30, 2020, was a 12-month reporting period and December 31, 2021 was an 18 month reporting period. We have presented average monthly totals for comparison.**

	December 31, 2021	June 30, 2020	Change	
			Dollar	Percentage
Dwelling rent	\$ 32,484	\$ 31,435	\$ 1,049	3.34%
Government grants	722,555	717,273	5,282	0.74%
Other income	445,839	6,911	438,928	6351.15%
<b>TOTAL REVENUES</b>	<b>1,200,878</b>	<b>755,619</b>	<b>445,259</b>	<b>58.93%</b>
Administration	130,737	133,561	(2,824)	-2.11%
Tenant services	29,430	16,537	12,893	77.96%
Utilities	2,121	3,600	(1,479)	-41.08%
Maintenance and operations	20,019	25,606	(5,587)	-21.82%
Insurance	2,439	3,467	(1,028)	-29.65%
General	13,831	2,110	11,721	555.50%
Housing Assistance Payments	739,625	660,671	78,954	11.95%
Depreciation	13,291	11,664	1,627	13.95%
<b>TOTAL EXPENSES</b>	<b>\$ 951,493</b>	<b>\$ 857,216</b>	<b>\$ 94,277</b>	<b>11.00%</b>
<b>Net Operating income (loss)</b>	<b>249,385</b>	<b>(101,597)</b>		
Non-operating income (loss)	2,719	66,199	(63,480)	-95.89%
<b>CHANGE IN NET POSITION</b>	<b>252,104</b>	<b>(35,398)</b>		

## REVENUES



Approximately 60% of the Authority's revenues are derived from federal grants programs funded by the U.S. Department of Housing and Urban Development (HUD). For the 18-month period ending December 31, 2021, the funds received from U.S. Department of HUD totaled approximately \$13M, of which \$10.9M was for the combined Housing Choice Voucher (HCV) and HCV Covid-19 programs, and \$1.4M related to the Continuum of Care (COC) program, and the remaining were for other housing voucher and S8 RAD rental assistance programs.

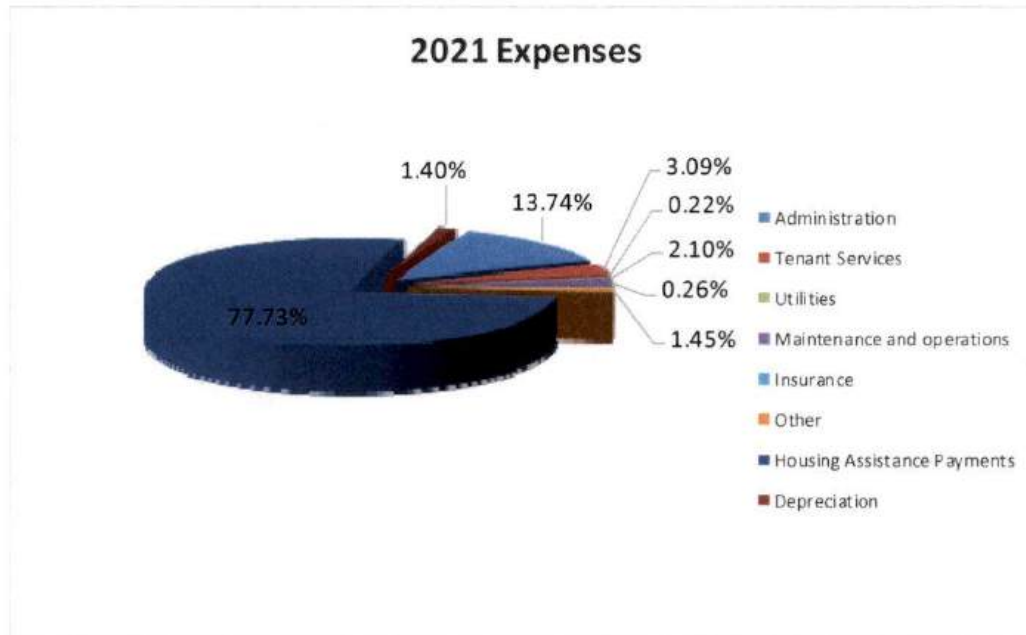
The Authority receives revenue from tenants for dwelling rental charges and miscellaneous charges comprising 3% of total revenue. Grant funding and dwelling revenues only increased marginally for year-ended December 31, 2021, compared to June 30, 2020.

Other Income on December 31, 2021 was \$8M or 37% of total revenues. Other Income consisted of i) \$3.5M fees received by Travis County Facilities Corporation (TCFC) for the development of affordable housing by the Tech Ridge ATX, LP, and \$0.3M in contributions from Strategic Housing Finance Corporation (SHFC), a related party organization, for the purpose of funding deeply affordable housing units, ii) \$1.6M in other income in the HCV program primarily consisting of port-in revenues, and iii) \$2.5M in other income in Business Activities of which \$1.6M was a contribution received from SHFC, and the remaining is related to the reversal of prior year SEA RAD LP developer fee write-off and the recognition of loan funding that is no longer restricted and is considered forgiven. The significant increase in other income at year end December 31, 2021, compared to June 30, 2020 was primarily due to developer fees received by TCFC and also the recognition of SHFC contribution to Business Activities as other income.



## EXPENSES

Approximately 78% of the total expenditures for the 18-month fiscal year ending December 31, 2021, consisted of federal rental assistance in the form of housing assistance payments (HAP). HAP payments consist of rental payments to owners of private property (for which the Authority has a HAP agreement with the tenant and the owner) for the difference between the tenants rent and the applicable payment standard. The rental assistance is funded through the various federal housing voucher and the Continuum of Care (COC) programs.



\$13.3M was spent in housing assistance payments in the 18-month fiscal year-ending December 31, 2021. There was an increase in the housing assistance payments expenditures compared to the prior fiscal year – primarily due to additional federal funding and utilization in the Housing Choice Voucher program. The housing authority also received \$0.55M in additional housing assistance and administrative funds through the HCV-Covid19 allocation.

**Administrative** – Administrative Expenses include all non-maintenance service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs and other administrative costs such as supplies, telephone expense, etc. \$2.3M was spent in administrative expenses for the 18-month period, and it constituted 14% of total expenditures.

**Tenant Services** – constituted 3% of total expenditures or \$0.5M in expenditures. \$0.4M of the tenant services expenditures was accounted to relocation costs that was related to the rehabilitation of SEA RAD (Eastern Oaks Apartments). The HATC Foundation (a blended component unit of HATC) spent approximately \$88,000 on tenant services programs – which consisted of financial literacy programs, scholarships, transportation assistance, and job training & search assistance.

**Maintenance & Operations** – Maintenance & Operations expenditures was 2% of total expenditures or approximately \$360,349 for year-ending December 31, 2021. These costs consisted of salaries and benefits for maintenance staff, and costs related to maintenance contracts and materials. The maintenance costs are primarily expended at properties owned by the housing authority – Carson Creek and Manor Town and SEA RAD (formerly Eastern Oaks Apartments), a property that receives federal rental assistance under the S8 RAD PBRA program.

## Housing Authority of Travis County, Texas

Management's Discussion & Analysis  
For the Eighteen Months Ended December 31, 2021

**General Expenses** – constituted 1.45% of total expenditures or approximately \$248,960 for year-ending December 31, 2021. It primarily consisted of bad debt expenses related to the projected uncollectible balances in the Port-In Receivable accounts in the HCV program, and a near term uncollectible estimate for advances to SEA OAKS property (a LIHTC S8 PBRA property).

### CAPITAL ASSETS

At the fiscal year-end December 31, 2021, the housing authority net capital assets increased approximately \$3M compared to the prior year. The increase primarily consisted of the capitalization of rehabilitation costs at SEA RAD (formerly Eastern Oaks Apartments). The rehabilitation is financed by forgivable loans from the Texas Department of Housing and Community Affairs and Austin Housing Finance Corporation. Additionally, the housing authority has spent \$211,956 as of December 31, 2021, in predevelopment costs at Manor Town Apartments. These are preliminary costs incurred for the proposed construction of 24 additional elderly units at Manor Town.

	Change			
	2021	2020	Dollar	Percentage
Land	\$ 1,271,478	\$ 1,271,478	\$ -	0.00%
Buildings and improvements	6,706,150	3,468,534	3,237,616	93.34%
Equipment	217,799	217,799	-	0.00%
Construction in progress	211,956	175,382	36,574	0.00%
	8,407,383	5,133,193	3,274,190	63.78%
Accumulated depreciation	(2,516,893)	(2,277,657)	(239,236)	10.50%
Net capital assets	<u>\$ 5,890,490</u>	<u>\$ 2,855,536</u>	<u>\$ 3,034,954</u>	106.28%

### LONG-TERM DEBT OBLIGATIONS

At fiscal year-end December 31, 2021, the housing authority had \$4,984,642 in debt obligations. The housing authority received a \$1M forgivable note from the Austin Finance Housing Corporation for the rehabilitation of SEA RAD apartments. In addition, the SEA RAD GP (a blended component unit of HATC) borrowed \$102,000 from Strategic Housing Finance Corporation, a related party organization to set up the Operating Reserves account for SEA OAKS apartments (a LIHTC S8 PBRA funded property that is managed by the housing authority).

See Note 6 long-term debt for additional information on long-term debt obligation.

### ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS

Several factors may affect the financial position of the authority in the subsequent fiscal year. These factors include:

- (1) The Unemployment Rate for the Austin area as of December 31, 2021, was 2.9%.<sup>1</sup>
- (2) The level of funding appropriations for public housing and the Section 8 program to be received for the 2020 - 2021 fiscal year from the federal government.

<sup>1</sup> Bureau of Labor Statistics Data website [www.bls.gov](http://www.bls.gov)

## **CONCLUSIONS**

Overall, the Housing Authority of Travis County, Texas maintained a strong financial position. Management is committed to staying abreast of regulations and appropriations as well as maintain an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our residents, the citizens of Austin, Texas, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Patrick Howard, Executive Director at 512-854-4771 or by writing: Housing Authority of Travis County, Texas, 502 East Highland Mall Blvd, Austin, TX 78752.

**Housing Authority of Travis County, Texas**

Statement of Net Position

December 31, 2021

	<b>Primary Government</b>	<b>Discretely Presented Component Units</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and equivalents		
Unrestricted	\$ 5,922,921	\$ 34,287
Restricted	1,903,813	362,140
<b>Subtotal</b>	<u>7,826,734</u>	<u>396,427</u>
Certificates of Deposit	406,032	-
Accounts receivable, net	459,545	289,544
Prepaid expenses	52,527	2,653
<b>Total Current Assets</b>	<u>8,744,838</u>	<u>688,624</u>
<b>Non-Current Assets</b>		
Net pension asset	16,835	-
Intangibles, net	-	28,803
Capital assets, net	5,890,490	8,718,812
<b>Total Non-Current Assets</b>	<u>5,907,325</u>	<u>8,747,615</u>
<b>TOTAL ASSETS</b>	<u>14,652,163</u>	<u>9,436,239</u>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	 162,705	 -
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	249,629	12,366
Accrued liabilities	1,727,223	1,536
Deposits held in trust	7,406	10,597
Compensated absences, current	26,943	1,075
Unearned revenue	88,225	23,143
Long term debt, current	77,189	13,635
<b>Total Current Liabilities</b>	<u>2,176,615</u>	<u>62,352</u>
<b>Non-Current Liabilities</b>		
Compensated absences, non-current	91,606	3,654
Funds held in trust	-	-
Long term debt, non-current	4,907,453	3,634,139
<b>Total Other Liabilities</b>	<u>4,999,059</u>	<u>3,637,793</u>
<b>TOTAL LIABILITIES</b>	<u>7,175,674</u>	<u>3,700,145</u>
 <b>DEFERRED INFLOW OF RESOURCES</b>	 27,617	 -
<b>NET POSITION</b>		
Net investment in capital assets	4,147,585	5,071,038
Restricted	261,660	351,543
Unrestricted	3,202,332	313,513
<b>TOTAL NET POSITION</b>	<u>\$ 7,611,577</u>	<u>\$ 5,736,094</u>

**Housing Authority of Travis County, Texas**  
**Statement of Revenues, Expenses & Changes in Fund Net Position**  
**For the Eighteen Months Ended December 31, 2021**

	<b>Primary Government</b>	<b>Discretely Presented Component Units</b>
<b>OPERATING REVENUES</b>		
Dwelling rent, net	\$ 584,716	\$ 415,409
Government grants, operating	13,005,986	-
Other income	8,025,095	2,715
<b>TOTAL OPERATING REVENUES</b>	<u>21,615,797</u>	<u>418,124</u>
<b>OPERATING EXPENSES</b>		
Administration	2,353,259	80,501
Tenant services	529,738	-
Utilities	38,169	35,779
Maintenance and operations	360,349	172,829
Protective services	8,460	-
Insurance	43,898	33,742
General expenses	240,500	-
Housing Assistance Payments	13,313,255	-
Depreciation	239,236	379,281
<b>TOTAL OPERATING EXPENSES</b>	<u>17,126,864</u>	<u>702,132</u>
<b>NET OPERATING INCOME (LOSS)</b>	<u>4,488,933</u>	<u>(284,008)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	64,176	320
Interest expense	(15,230)	(99,039)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>48,946</u>	<u>(98,719)</u>
<b>TRANSFERS</b>		
Transfers	-	-
<b>TOTAL TRANSFERS</b>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	4,537,879	(382,727)
<b>BEGINNING NET POSITION</b>	3,073,698	(157,531)
Prior period adjustments	-	6,276,352
<b>ENDING NET POSITION</b>	<u>\$ 7,611,577</u>	<u>\$ 5,736,094</u>



**Housing Authority of Travis County, Texas****Statement of Cash Flows****For the Eighteen Months Ended December 31, 2021****CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from tenants and users	\$ 4,435,482
Receipts from operating grants	16,785,167
Payments for goods and services	(1,485,380)
Payments for Housing Assistance Payments	(13,307,561)
Payments to or on behalf of employees for services	(2,091,416)

**NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES**4,336,292**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital asset purchases	(1,882,510)
Payments on loans	(128,633)
Proceeds from loans	1,102,000

**NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES**(909,143)**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from investment activities	64,176
(Purchase) or redemption of Certificates of Deposit	1,012,040

**NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES**1,076,216**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

4,503,365

**BEGINNING CASH AND CASH EQUIVALENTS**3,323,369**ENDING CASH AND CASH EQUIVALENTS**\$ 7,826,734**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 4,488,933
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Depreciation	239,236
Pension	(60,499)
Debt forgiveness	(330,000)
<b>Change in assets and liabilities</b>	
(Increase) decrease in accounts receivable	(169,119)
(Increase) decrease in inventory and prepaid	(33,172)
Increase (decrease) in accounts payable	222,656
Increase (decrease) in accrued liabilities	(26,681)
Increase (decrease) in deposits held in trust/unearned revenue	4,938
<b>Total Adjustments</b>	<u>(152,641)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 4,336,292</u>

**Interest Paid**\$ 15,230

**Housing Authority of Travis County, Texas**  
Combining Statement of Net Position - Primary Government  
December 31, 2021

	Blended Component Units						Primary Government Total
	Housing Authority	Travis County Facility Corp	HATC Foundation	Travis County Development Corp	SEA RAD, GP	Eliminations	
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents							
Unrestricted	\$ 2,136,161	\$ 3,750,359	\$ 36,401	\$ -	\$ -	\$ -	\$ 5,922,921
Restricted	1,903,813	-	-	-	-	-	1,903,813
<b>Subtotal</b>	<b>4,039,974</b>	<b>3,750,359</b>	<b>36,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,826,734</b>
Certificates of Deposit	406,032	-	-	-	-	-	406,032
Accounts receivable, net	2,203,861	64,549	-	-	-	(1,808,865)	459,545
Prepaid expenses	52,527	-	-	-	-	-	52,527
Interfund due from	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>6,702,394</b>	<b>3,814,908</b>	<b>36,401</b>	<b>-</b>	<b>-</b>	<b>(1,808,865)</b>	<b>8,744,838</b>
<b>Non-Current Assets</b>							
Net pension asset	16,835	-	-	-	-	-	16,835
Intangibles, net	-	-	-	-	-	-	-
Capital assets, net	5,886,929	-	3,561	-	-	-	5,890,490
<b>Total Non-Current Assets</b>	<b>5,903,764</b>	<b>-</b>	<b>3,561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,907,325</b>
<b>TOTAL ASSETS</b>	<b>12,606,158</b>	<b>3,814,908</b>	<b>39,962</b>	<b>-</b>	<b>-</b>	<b>(1,808,865)</b>	<b>14,652,163</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>162,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,705</b>

**Housing Authority of Travis County, Texas**  
Combining Statement of Net Position - Primary Government  
December 31, 2021

	<b>Blended Component Units</b>						<b>Primary Government Total</b>
	<b>Housing Authority</b>	<b>Travis County Facility Corp</b>	<b>HATC Foundation</b>	<b>Travis County Development Corp</b>	<b>SEA RAD, GP</b>	<b>Eliminations</b>	
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts payable	248,760	-	869	-	-	-	249,629
Accrued liabilities	1,734,139	-	915	-	-	(7,831)	1,727,223
Deposits held in trust	7,406	-	-	-	-	-	7,406
Compensated absences, current	26,652	-	291	-	-	-	26,943
Unearned revenue	88,225	-	-	-	-	-	88,225
Debt - current	77,189	-	-	-	-	-	77,189
Interfund due to	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>2,182,371</b>	<b>-</b>	<b>2,075</b>	<b>-</b>	<b>-</b>	<b>(7,831)</b>	<b>2,176,615</b>
<b>Non-Current Liabilities</b>							
Compensated absences, non-current	90,615	-	991	-	-	-	91,606
Funds held in trust	-	-	-	-	-	-	-
Long term debt, non-current	6,227,750	-	-	-	480,737	(1,801,034)	4,907,453
<b>Total Non-Current Liabilities</b>	<b>6,318,365</b>	<b>-</b>	<b>991</b>	<b>-</b>	<b>480,737</b>	<b>(1,801,034)</b>	<b>4,999,059</b>
<b>TOTAL LIABILITIES</b>	<b>8,500,736</b>	<b>-</b>	<b>3,066</b>	<b>-</b>	<b>480,737</b>	<b>(1,808,865)</b>	<b>7,175,674</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>27,617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,617</b>
<b>Net Position</b>							
Net investment in capital assets	4,144,024	-	3,561	-	-	-	4,147,585
Restricted	261,660	-	-	-	-	-	261,660
Unrestricted	(165,174)	3,814,908	33,335	-	(480,737)	-	3,202,332
<b>TOTAL NET POSITION</b>	<b>\$ 4,240,510</b>	<b>\$ 3,814,908</b>	<b>\$ 36,896</b>	<b>\$ -</b>	<b>\$ (480,737)</b>	<b>\$ -</b>	<b>\$ 7,611,577</b>

**Housing Authority of Travis County, Texas**  
Combining Statement of Revenues, Expenses, & Changes in Net Position - Primary Government  
For the Eighteen Months Ended December 31, 2021

	Blended Component Units						
	Housing Authority	Travis County Facility Corp	HATC Foundation	Travis County Development Corp	SEA RAD, GP	Eliminations	Primary Government Total
<b>Operating Revenues</b>							
Rental revenues, net	\$ 584,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 584,716
Government grants	13,005,986	-	-	-	-	-	13,005,986
Other income	4,153,604	3,840,975	65,000	-	-	(34,484)	8,025,095
<b>Total Operating Revenues</b>	<b>17,744,306</b>	<b>3,840,975</b>	<b>65,000</b>	<b>-</b>	<b>-</b>	<b>(34,484)</b>	<b>21,615,797</b>
<b>Operating Expenses</b>							
Administration	2,315,743	2,545	66,351	-	-	(31,380)	2,353,259
Tenant services	440,902	-	88,836	-	-	-	529,738
Utilities	38,169	-	-	-	-	-	38,169
Maintenance and operations	363,453	-	-	-	-	(3,104)	360,349
Protective services	8,460	-	-	-	-	-	8,460
Insurance expense	43,665	-	233	-	-	-	43,898
General expense	137,218	-	1,282	-	102,000	-	240,500
Housing Assistance Payments	13,313,255	-	-	-	-	-	13,313,255
Depreciation and amortization	235,518	-	3,718	-	-	-	239,236
<b>Total Operating Expenses</b>	<b>16,896,383</b>	<b>2,545</b>	<b>160,420</b>	<b>-</b>	<b>102,000</b>	<b>(34,484)</b>	<b>17,126,864</b>
<b>OPERATING INCOME (LOSS)</b>	<b>847,923</b>	<b>3,838,430</b>	<b>(95,420)</b>	<b>-</b>	<b>(102,000)</b>	<b>-</b>	<b>4,488,933</b>
<b>Non-Operating Revenues (Expenses)</b>							
Interest income	33,225	30,951	-	-	-	-	64,176
Interest expense	(15,230)	-	-	-	-	-	(15,230)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>17,995</b>	<b>30,951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,946</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>865,918</b>	<b>3,869,381</b>	<b>(95,420)</b>	<b>-</b>	<b>(102,000)</b>	<b>-</b>	<b>4,537,879</b>
<b>Capital Contributions and Transfers</b>							
Transfers	-	(72,660)	72,660	-	-	-	-
<b>Total Capital Contributions and Transfers</b>	<b>-</b>	<b>(72,660)</b>	<b>72,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>865,918</b>	<b>3,796,721</b>	<b>(22,760)</b>	<b>-</b>	<b>(102,000)</b>	<b>-</b>	<b>4,537,879</b>
<b>BEGINNING NET POSITION</b>	<b>3,374,592</b>	<b>18,187</b>	<b>59,656</b>	<b>-</b>	<b>(378,737)</b>	<b>-</b>	<b>3,073,698</b>
Prior Period Adjustment	-	-	-	-	-	-	-
<b>ENDING NET POSITION</b>	<b>\$ 4,240,510</b>	<b>\$ 3,814,908</b>	<b>\$ 36,896</b>	<b>\$ -</b>	<b>\$ (480,737)</b>	<b>\$ -</b>	<b>\$ 7,611,577</b>

See notes to financial statements

**Housing Authority of Travis County, Texas**  
Combining Statement of Cash Flows - Primary Government  
For the Eighteen Months Ended December 31, 2021

	Blended Component Units						Primary Government Total
	Housing Authority	Travis County Facility Corp	HATC Foundation	Travis County Development Corp	SEA RAD, GP	Eliminations	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from tenants and users	\$ 529,507	\$ 3,840,975	\$ 65,000	\$ -	\$ -	\$ -	\$ 4,435,482
Receipts from operating grants	16,785,167	-	-	-	-	-	16,785,167
Payments to suppliers	(1,223,296)	(67,094)	(92,990)	-	(102,000)	-	(1,485,380)
Payments for Housing Assistance Payments	(13,307,561)	-	-	-	-	-	(13,307,561)
Payments to or on behalf of employees for services	(2,015,430)	-	(75,986)	-	-	-	(2,091,416)
<b>NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>768,387</b>	<b>3,773,881</b>	<b>(103,976)</b>	<b>-</b>	<b>(102,000)</b>	<b>-</b>	<b>4,336,292</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital asset purchases	(1,882,510)	-	-	-	-	-	(1,882,510)
Payments on loans	(128,633)	-	-	-	-	-	(128,633)
Proceeds from loans	1,000,000	-	-	-	102,000	-	1,102,000
<b>NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,011,143)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,000</b>	<b>-</b>	<b>(909,143)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from investment activities	33,225	30,951	-	-	-	-	64,176
Interfunds	1,004,265	(999,885)	(4,380)	-	-	-	-
Transfers	-	(72,660)	72,660	-	-	-	-
(Purchase) or redemption of CD	(6,032)	1,018,072	-	-	-	-	1,012,040
<b>NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>1,031,458</b>	<b>(23,522)</b>	<b>68,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,076,216</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>788,702</b>	<b>3,750,359</b>	<b>(35,696)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,503,365</b>
<b>BEGINNING CASH</b>	<b>3,251,272</b>	<b>-</b>	<b>72,097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,323,369</b>
<b>ENDING CASH</b>	<b>\$ 4,039,974</b>	<b>\$ 3,750,359</b>	<b>\$ 36,401</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,826,734</b>



**Housing Authority of Travis County, Texas**  
Combining Statement of Cash Flows - Primary Government  
For the Eighteen Months Ended December 31, 2021

	Blended Component Units						Primary Government Total
	Housing Authority	Travis County Facility Corp	HATC Foundation	Travis County Development Corp	SEA RAD, GP	Eliminations	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 847,923	\$ 3,838,430	\$ (95,420)	\$ -	\$ (102,000)	\$ -	\$ 4,488,933
<b>Non-Cash Adjustments:</b>							
Depreciation	235,518	-	3,718	-	-	-	239,236
Pension	(60,499)	-	-	-	-	-	(60,499)
Debt forgiveness	(330,000)	-	-	-	-	-	(330,000)
<b>Change in Asset &amp; Liabilities</b>							
Accounts receivable	(104,570)	(64,549)	-	-	-	-	(169,119)
Inventory & prepaid expenses	(33,172)	-	-	-	-	-	(33,172)
Accounts payable	221,787	-	869	-	-	-	222,656
Accrued liabilities	(13,538)	-	(13,143)	-	-	-	(26,681)
Tenant security deposits/unearned revenue	4,938	-	-	-	-	-	4,938
Net interfunds	-	-	-	-	-	-	-
<b>Total Adjustments</b>	<b>(79,536)</b>	<b>(64,549)</b>	<b>(8,556)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(152,641)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 768,387</b>	<b>\$ 3,773,881</b>	<b>\$ (103,976)</b>	<b>\$ -</b>	<b>\$ (102,000)</b>	<b>\$ -</b>	<b>\$ 4,336,292</b>

**Housing Authority of Travis County, Texas**  
Combining Statement of Net Position - Discretely Presented Component Unit  
December 31, 2021

	SEA RAD Partnership	DPCU Total
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 34,287	\$ 34,287
Restricted	362,140	362,140
<b>Subtotal</b>	396,427	396,427
Certificates of Deposit	-	-
Accounts receivable, net	289,544	289,544
Prepaid expenses	2,653	2,653
Interfund due from	-	-
<b>Total Current Assets</b>	688,624	688,624
<b>Non-Current Assets</b>		
Net pension asset	-	-
Intangibles, net	28,803	28,803
Capital assets, net	8,718,812	8,718,812
<b>Total Non-Current Assets</b>	8,747,615	8,747,615
<b>TOTAL ASSETS</b>	9,436,239	9,436,239
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-

**Housing Authority of Travis County, Texas**  
Combining Statement of Net Position - Discretely Presented Component Unit  
December 31, 2021

	SEA RAD Partnership	DPCU Total
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	12,366	12,366
Accrued liabilities	1,536	1,536
Deposits held in trust	10,597	10,597
Compensated absences, current	1,075	1,075
Unearned revenue	23,143	23,143
Debt - current	13,635	13,635
Interfund due to	-	-
<b>Total Current Liabilities</b>	<u>62,352</u>	<u>62,352</u>
<b>Non-Current Liabilities</b>		
Compensated absences, non-current	3,654	3,654
Funds held in trust	-	-
Long term debt, non-current	3,634,139	3,634,139
<b>Total Non-Current Liabilities</b>	<u>3,637,793</u>	<u>3,637,793</u>
<b>TOTAL LIABILITIES</b>	<u>3,700,145</u>	<u>3,700,145</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	5,071,038	5,071,038
Restricted	351,543	351,543
Unrestricted	313,513	313,513
<b>TOTAL NET POSITION</b>	<u>\$ 5,736,094</u>	<u>\$ 5,736,094</u>

**Housing Authority of Travis County, Texas**  
Combining Statement of Revenues, Expenses, & Changes in Net Position - Discretely Present Component Unit  
For the Eighteen Months Ended December 31, 2021

	SEA RAD Partnership	DPCU Total
<b>Operating Revenues</b>		
Rental revenues, net	\$ 415,409	\$ 415,409
Government grants	-	-
Other income	2,715	2,715
<b>Total Operating Revenues</b>	<u>418,124</u>	<u>418,124</u>
<b>Operating Expenses</b>		
Administration	80,501	80,501
Tenant services	-	-
Utilities	35,779	35,779
Maintenance and operations	172,829	172,829
Protective services	-	-
Insurance expense	33,742	33,742
General expense	-	-
Housing Assistance Payments	-	-
Depreciation and amortization	379,281	379,281
<b>Total Operating Expenses</b>	<u>702,132</u>	<u>702,132</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(284,008)</u>	<u>(284,008)</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest income	320	320
Interest expense	(99,039)	(99,039)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(98,719)</u>	<u>(98,719)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(382,727)</u>	<u>(382,727)</u>
<b>Capital Contributions and Transfers</b>		
Government grants, capital contributions	-	-
<b>Total Capital Contributions and Transfers</b>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>(382,727)</u>	<u>(382,727)</u>
<b>BEGINNING NET POSITION</b>	(157,531)	(157,531)
Prior Period Adjustment	6,276,352	6,276,352
<b>ENDING NET POSITION</b>	<u>\$ 5,736,094</u>	<u>\$ 5,736,094</u>

**Note 01 – Summary of Organization, Significant Accounting Policies and Reporting Entity:**

**1. Introduction**

The financial statements Housing Authority of Travis County, Texas ("HATC") have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Housing Authority of Travis County, Texas is a special-purpose government engaged only in business-type activities and, therefore, presents only the financial statements required for enterprise funds, in accordance with GASB. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of:
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement of Cash Flows
- Notes to Financial Statements
- Required supplemental information other than MD&A and supplemental information

**2. Reporting Entity**

The Housing Authority of Travis County, Texas is a public body corporate and politic of the State of Texas (the State) created by the County of Travis (the County). HATC is responsible for operating certain low-rent housing programs in the County under programs administered by the U.S. Department of Housing and Urban Development (HUD). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

HATC administers a Section 8 Housing Choice Vouchers program consisting of six hundred fifty-one (651) tenant-based units and nineteen (19) project-based units. HATC also owns eight (8) duplexes at Carson Creek and thirty-three (33) units of senior affordable housing in its Manor Apartments project. HATC also owns and manages the thirty (30) unit SEA RAD apartments (previously known as Eastern Oaks) that receives HUD subsidy under the HUD Section 8 Project Based Rental Assistance (PBRA) program.

HATC is governed by a board of five members who serve two-year terms. The governing board is essentially autonomous but responsible to HUD. A Chief Executive Officer is appointed by the HATC's board of commissioners to manage the day-to-day operations of HATC.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, Housing Authority of Travis County, Texas is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards* and Statement No. 14 and No. 61 of the *Government Accounting Standards Board, the Financial Reporting Entity*.

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

Based on the aforementioned criteria, and the control and relationship between Housing Authority of Travis County, Texas and the component units, the Authority has determined that the following entities are considered component units of Housing Authority of Travis County, Texas and are required to be blended within the Authority's financial statements:

***Blended Component Units***

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority's Board of Commissioners or the component units provide services entirely to the Authority. These component units' funds are blended into those of the Authority's by appropriate activity type to compose the primary government presentation. They are all also on an eighteen-month period ending in December 31, 2021 presentation.

***Travis County Facility Corporation (TCFC)*** - TCFC was formed pursuant to Chapter 303 of the Texas Local Government Code to finance or provide public facilities. Corporations formed under this law are deemed public corporations and instrumentalities authorized to issue bonds on behalf of the sponsor for purposes of Section 103 of the Internal Revenue Code (IRC). IRC 103 exempts interest from state and local bonds from U.S. federal income tax. Under Texas Local Government Code Chapter 303.072, bonds issued are only payable from revenues derived from public facilities or sponsor obligations. Bonds issued under this chapter are not an obligation or a pledge of the faith and credit of the state, a sponsor or other political subdivision of the state or agency of the state.

***Travis County Development Corporation (TCDC)*** - TCDC is a non-governmental entity organized as a Texas nonprofit corporation and has been issued an IRS Tax-Exempt Letter of Determination dated March 30, 2004, designating it as tax-exempt under IRC section 501(c)(3). TCDC was formed to provide decent and affordable housing for lower income residents within Travis County, acquire improved and unimproved real property and engage local industries in supporting the affordable housing needs of lower income residents.

***HATC Foundation (The Foundation)*** - The Foundation is a nonprofit corporation operating under Section 501(c)(3) of the Internal Revenue Code. Corporations under this code section operate exclusively for charitable, educational, religious, or scientific purposes. The purpose of the Foundation is to provide decent, safe and sanitary housing at affordable prices for low and moderate-income residents of the County, to preserve and develop affordable housing and vibrant communities which enhance the quality of life for all, and to take other actions to benefit, perform the functions of, or to carry out the purpose of HATC.

***SEA RAD GP, LLC (SEA RAD GP)*** - SEA RAD GP was organized on September 26, 2016, as a Texas limited liability company in which HATC is its sole member, to be the general partner of SEA RAD, LP (SEA RAD Partnership).

There are no separate financial statements issued for TCFC, TCDC, the Foundation, and SEA RAD GP.

**Discretely Presented Component Unit**

The discretely presented component unit is separate legal entities that meet the component unit criteria described above but however do not have a governing body is the same or substantially the same as the Authority's Board of Commissioners. This component unit's activity is presented as a discretely presented component units on the same fiscal year of December 31, 2021, however on a twelve-month period.

**SEA RAD, LP (SEA RAD Partnership)** - SEA RAD GP with its sole member being HATC, is the general partner of SEA RAD Partnership with 0.005% ownership interest. SEA RAD GP has made certain guarantees on behalf of SEA RAD Partnership. As a result, SEA RAD Partnership is a discretely presented component unit of the Authority. SEA RAD Partnership was originally formed as a Texas Limited Partnership on October 11, 2016, to construct and operate a rental housing project under the name of SEA RAD Oaks (SEA Oaks), in connection with the conversion of seventy-five (75) Public Housing units to Project Based Rental Assistance through HUD's Rental Assistance Demonstration Program, and tax credits under Section 42. Operating profits, losses and tax credits are allocated in accordance with the Limited Partnership Agreement dated October 11, 2016.

SEA RAD Partnership is a private for-profit entity that reports under Financial Accounting Standards Board standards. As such, certain expense recognition criteria and presentation features are different from GASB expense recognition criteria and presentation features. No modifications have been made to the SEA RAD Partnership's financial information in the Authority's financial reporting for these differences.

Separately audited financial statements for the SEA RAD Partnership can be obtained by writing the CEO/Executive Director of the Authority.

**3. Basis of Presentation, Basis of Accounting and Measurement Focus**

**Basis of Accounting** - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

**Basis of Presentation** - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the statement of net position. In the Statement of Net Position, equity is classified as net position and displayed in three components:

- a) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets.
- b) Restricted net position – Consists of assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- c) Unrestricted net position – All other assets that do not meet the definition of "restricted" or "net investment in capital assets".



**Government-Wide Financial Statements:**

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34) as amended. GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplemental Information.

The statement of net position, statement of revenues, expenses and change in net position, and statement of cash flows are government-wide financial statements. They report information on all of the Authority's proprietary fund activities with the interfund activities eliminated. The Authority considers its proprietary fund as one major fund.

**Fund Types and Major Funds:**

The Authority maintains its accounting records by program/project. The Authority has only a proprietary fund type and the Authority reports the following as one major enterprise fund:

Project-Based Rental Assistance Program (PBRA Program) under the Rental Assistance Demonstration (RAD) has allowed the Authority to convert its units under Low Rent Public Housing program to project based Section 8 contracts. PBRA Program allows tenants to live in an affordable, decent, safe and sanitary rental housing unit and pay rent based upon their income, through the provision of housing assistance payments to participating owners on behalf of eligible tenants.

Section 8 Housing Choice Vouchers (HCV Program) provides housing assistance payments to qualified low-income persons through the tenant-based vouchers issued by the Authority in accordance with the Annual Contribution Contract with HUD. The Authority also enters into housing assistance payment contracts with local private housing providers who agree to accept the tenant-based vouchers issued by the Authority. In addition, the Authority earns administrative from HUD for facilitating and managing the HCV Program. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Mainstream Vouchers (MSV Program) assists non-elderly persons with disabilities. Aside from serving a special population, MSV Program is administered using the same rules as HCV Program.

Continuum of Care Program (COC Program) is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Business Activities consist of certain non-federal housing projects owned by the Authority as well as provides certain management and development services to other programs, projects and/or affiliate entities.

Blended Component Units are intended to diversify and to provide more affordable housing solutions for the purpose of the Authority.

**4. Budgetary Data**

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD. These budgets are adopted using a HUD outline that is not consistent with generally accepted accounting principles and are used for HUD purposes only.

**5. Inter-Program Receivables and Payables**

Inter-program receivables and payables are all classified as either current assets or current liabilities and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables have been eliminated in the preparation of the basic financial statements.

**6. Revenues and Expenses**

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority are operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

In accordance with GASB standards dwelling income has been netted with bad debt expense of \$5,855. Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

**7. Operating Revenue**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the non-operating revenue and expense.

When both restricted and unrestricted net positions are available for use, generally it is the Authority's policy to use restricted resources first.

**8. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles as applied to governmental units require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most significant estimates relate to depreciation and useful lives, allowance for bad debt, and inventory valuation.

**9. Cash and Investments**

The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments are stated at fair value, except for U. S. Treasury Bills, which are reported at amortized cost. Investment consists of certificates of deposits which have an initial maturity date greater than 90 days.

#### 10. Accounts Receivable

Accounts receivable consists of all amounts earned at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

Accounts for which no possibility of collection is anticipated are charged to bad debts expense which is netted against dwelling rent revenues on the Statement of Revenues, Expenses, and Changes in Net Position.

Amounts due from other housing authorities related to Housing Choice Voucher Port In vouchers are deemed by management as fully collectible until the amount is past 90 days then an allowance of 100% is established for those types of accounts receivable.

#### 11. Capital Assets and Depreciation

Capital assets are stated at historical cost. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures, and equipment. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position. If the initial cost of a piece of equipment and/or other personal property is three thousand dollars (\$3,000) or more and the anticipated life or useful value of said equipment or property is more than one (1) year, the purchased property/equipment will be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	15-40 years
Furniture, fixtures & equipment	3-10 years
Site improvements	15 years

#### 12. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority had \$162,705 related to the pension plan see note 7 for details.

Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority had \$27,617 related to the pension plan see note 7 for details.

#### 13. Compensated Absences

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. The Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Upon separation from the Authority, an employee shall be paid for all accumulated annual leave and a percentage of their sick leave based on tenure with the Authority, as of their final date of employment. Leave accrued, but not yet paid as of December 31, 2021, is shown as a liability between current and non-current.

#### 14. Insurance

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. As of the date of the report, the Authority had necessary insurance coverage in force.

**15. Notes Receivable**

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with GAAP, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period as the full amount of the notes receivable resulting in a net zero balance.

**16. Fair Market Value**

Accounting pronouncements define fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. These pronouncements established a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The estimated fair value of the Authority's financial instruments has been determined by management using available market information. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the fair values are not necessarily indicative of the amounts that the Authority could be realized in a current market exchange. The use of different market assumptions may have a material effect on the estimated fair value amounts.

The carrying amounts of cash and cash equivalents, receivables, payables and accrued liabilities are a reasonable estimate of their fair value, due to their short-term nature and method of computation.

All financial assets that are measured at fair value on a recurring basis (at least annually) have been segregated into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date. All of the Authority's investments consist of certificates of deposit valued using Level 2 inputs.

**17. Subsequent Events**

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through July 11, 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 statement.

**Note 02 – Cash and Cash Equivalents**

All the deposits of the Authority are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names.

At December 31, 2021, the Authority's deposit amounted to \$7,826,734. Of the bank balances held in various financial institutions, \$250,000 was covered by federal depository insurance at each financial institution and the remainder was covered by collateral held under the dedicated method.

All deposits of the Authority are with financial institutions meeting State and Federal deposit requirements.

Types of investment, which are authorized to be made with the Authority's funds, are controlled by State of Texas statutes and by contract with HUD. Investments are limited to issues having maturities of three years or less, and may include the following:

- Backed by the full faith and credit of the United States Government, or
- Backed by guarantee of principal and/or interest by the United States Government, or
- Backed by a Government-sponsored agency, or
- Covered by the Federal Deposit Insurance Corporation, or
- Backed by full collateralization with approved securities.

*Interest rate risk* - As a means of limiting its exposure to market value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less. The Authority has no specific policy regarding interest rate risk.

*Credit risk* - Custodial credit risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned. State statute governs collateral requirements and forms of collateral under Texas State Statutes. In summary, Texas law states all deposits in excess of Federal Depository Insurance shall be secured by collateral.

Authorized security for deposits enumerated under law includes direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. The Authority does not have a custodial credit risk policy that is more restrictive than state statutes.

*Custodial credit risk* - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no policy on custodial credit risk.

*Concentration of credit risk* - The Authority places no limit on the amount that it may invest in any one issuer. The Authority has no policy regarding credit risk and have the following deposit amounts at these institutions.

IBC Bank	95.07%	\$ 7,826,734
Lone Star National Bank	4.93%	406,032
		<u>\$ 8,232,766</u>

**Restricted Cash**

Restricted cash represents amounts held under the terms of various agreements or HUD guideline by which the Authority is required to set aside specified amounts for future specific purposes. These restricted deposits are not available for operating purposes.

**Housing Authority of Travis County, Texas**

Notes to Financial Statements

For the Eighteen Months Ended December 31, 2021

*Cash and cash equivalents were comprised of the following as of December 31, 2021:*

<i>Unrestricted:</i>	
Checking & Money Market accounts	\$ 5,922,721
Petty cash	200
Subtotal	<u>5,922,921</u>
<i>Restricted:</i>	
Tenant security deposits	7,406
Replacement reserves	1,576,190
HUD restricted funds	303,635
Restricted to pay current liability	16,582
Subtotal	<u>1,903,813</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>\$ 7,826,734</u></b>
Certificates of Deposit	<u>\$ 406,032</u>

**Note 03 – Accounts Receivable, Net**

Accounts receivable at December 31, 2021, consisted of the following:

Tenant rent receivables, gross	\$ 38,866
Allowance for doubtful accounts	<u>(33,187)</u>
Tenant rent receivables, net	5,679
Due from HUD	73,308
Miscellaneous	228,681
Port in HAP from other authorities	151,877
<b>Accounts receivable, net</b>	<b><u>\$ 459,545</u></b>

**Note 04 – Capital Assets**

A summary of changes in capital assets were as follows:

	<u>Balance at</u> <u>07/01/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/21</u>
Capital assets not being depreciated:				
Land	\$ 1,271,478	\$ -	\$ -	\$ 1,271,478
Construction in progress	<u>175,382</u>	<u>36,574</u>	<u>-</u>	<u>211,956</u>
Total capital assets not being depreciated	<u>1,446,860</u>	<u>36,574</u>	<u>-</u>	<u>1,483,434</u>
Capital assets being depreciated:				
Buildings & improvements	3,468,534	3,237,616	-	6,706,150
Furniture & equipment	<u>217,799</u>	<u>-</u>	<u>-</u>	<u>217,799</u>
Total assets being depreciated	<u>3,686,333</u>	<u>3,237,616</u>	<u>-</u>	<u>6,923,949</u>
Accumulated depreciation	<u>(2,277,657)</u>	<u>(239,236)</u>	<u>-</u>	<u>(2,516,893)</u>
Net capital assets being depreciated:	<u>1,408,676</u>	<u>2,998,380</u>	<u>-</u>	<u>4,407,056</u>
Capital assets, net	<u>\$ 2,855,536</u>	<u>\$ 3,034,954</u>	<u>\$ -</u>	<u>\$ 5,890,490</u>

For the eighteen months ended December 31, 2021, the Authority reported depreciation expense of \$239,236.

**Housing Authority of Travis County, Texas**

Notes to Financial Statements

For the Eighteen Months Ended December 31, 2021

**Note 05 – Other Non-Current Liabilities**

The following is a summary of the activity for non-current liabilities for the eighteen months ended December 31, 2021:

	Balance at 07/01/20	Additions	Deletions	Balance at 12/31/21
Compensated absences	\$ 93,975	\$ 13,110	\$ (15,479)	\$ 91,606
Long term debt	4,248,855	1,102,000	(443,402)	4,907,453
Total	<u>\$ 4,342,830</u>	<u>\$ 1,115,110</u>	<u>\$ (458,881)</u>	<u>\$ 4,999,059</u>

**Note 06 – Debt**

The Authority's debt as of December 31, 2021, consists of the following:

	<u>Principal</u>
<b>Wells Fargo Mortgage</b>	
Direct borrowing mortgage payable to Wells Fargo in the amount of \$1,229,000. The note bears an interest rate of 1.68% with monthly interest and principal of \$6,424 starting February of 2005. The note matures on January 30, 2035 and is secured by the land and buildings of Manor Town Apartments.	\$ 542,927
<b>Texas Department of Housing and Community Affairs</b>	
Direct borrowing note payable to the Texas Department of Housing and Community Affairs (TDHCA) in the amount of \$346,720. The note is interest free and has monthly principal installments of \$722 starting February 1, 2005. The note matures on January 1, 2045 and is secured by land and buildings of Manor Town Apartments.	199,978
<b>Austin Housing Finance Corp</b>	
Direct borrowing note payable to Austin housing Finance Corp (AHFC) in the amount of \$1,000,000. No repayment as long as the Authority remains in compliance with mortgage terms. The mortgage matures on August 31, 2119, bears no interest and is secured by land and buildings of Eastern Oaks Apartments.	1,000,000
<b>Strategic Housing Finance Corporation Note 1</b>	
Direct borrowing related party note payable to promissory note with SHFC in the original amount of \$1,561,000. The loan which bears no interest, except in the event of default, is due on September 30, 2046 and is secured by real property.	1,561,000
<b>Strategic Housing Finance Corporation Note 2</b>	
Direct borrowing related party note payable to promissory note with SHFC. The loan is used to pay costs of the project under construction. The loan which bears no interest and has no payment terms. Related party note with no security attached.	480,737
<b>Strategic Housing Finance Corporation Note 3</b>	
Direct borrowing related party note payable to promissory note with SHFC. The loan is used to pay costs of the project under construction. The loan which bears no interest and has no payment terms. Related party note with no security attached.	1,200,000
Subtotal	4,984,642
Less current portion	(77,189)
Long term debt	<u>\$ 4,907,453</u>

**Housing Authority of Travis County, Texas**

Notes to Financial Statements

For the Eighteen Months Ended December 31, 2021

Aggregate annual maturities of the notes payable over each of the next five years and five year increments thereafter are as follows:

Year ending December 31 ,		Interest	Principal
	2022	\$ 8,565	\$ 77,189
	2023	7,409	78,346
	2024	6,233	79,522
	2025	5,037	80,718
	2026	3,821	562,671
	2027	3,958	231,898
	2032		34,672
	2037		43,340
	2042		2,796,286
	2119		1,000,000
		<u>\$ 35,023</u>	<u>\$ 4,984,642</u>

**Note 07 – Pension Plan (Other Assets)****Plan Description**

The Authority provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement system (TCDRS) effective July 2018.

The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over 700 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034, or may be obtained from the TCDRS website at <http://www.tcdrs.org/pages/publications>. The plan provisions are adopted by the governing body of the Authority, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 5 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 5 years of service but must leave their accumulated deposits in the plan to receive any District-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by the Authority.

**Benefits Provided**

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and Authority-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the Authority's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the Authority-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**Contributions**

The Authority has elected the annually determined contribution rate (variable rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the Authority based on the covered payroll of employee members.

Employees for the Authority were required to contribute 4% of their annual gross earnings during the year. The contribution rate for the Authority was 6.9% during the year. The Authority's contributions to TCDRS for the year ended December 31, 2021, were \$110,111.



# Housing Authority of Travis County, Texas

Notes to Financial Statements

For the Eighteen Months Ended December 31, 2021

## Pension Plan Asset

At December 31, 2021, the Authority reported an asset of \$16,835 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension asset was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. The following schedule shows the changes in the net pension liability for the year ended December 31, 2020, which is the most recent actuarial valuation available:

Changes in net pension Liability / (asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at December 31, 2019	\$ 234,728	\$ 242,142	\$ (7,414)
Changes for the year:			
Service cost	166,247	-	166,247
Interest on total pension liability	32,387	-	32,387
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(28,305)	-	(28,305)
Effect of assumptions changes or inputs	28,543	-	28,543
Refund of contributions	(911)	(911)	-
Benefit payment	(1,410)	(1,410)	-
Administrative expenses	-	(328)	328
Member contributions	-	65,721	(65,721)
Net investment income	-	25,374	(25,374)
Employer contributions	-	112,302	(112,302)
Other	-	5,224	(5,224)
Balance at December 31, 2020	\$ 431,279	\$ 448,114	\$ (16,835)

## Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

## Actuarial Assumptions:

The actuarial assumptions that determined the total pension liability as of December 31, 2020, were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

Valuation timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry age
Amortization method/period	Level percentage of payroll, closed
Remaining amortization period	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.6% average over career including inflation
Investment rate of return	7.5% net of administrative and investment expenses, including inflation

**Long-Term Expected Rate of Return and Asset Allocation:**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon.

Note that the valuation assumption for the long-term expected return is re-assessed in detail at a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. equity	11.50%	4.25%
Global equities	2.50%	4.55%
Int'l equities - developed markets	5.00%	4.25%
Int'l equities - emerging markets	6.00%	4.75%
Investment - grad bonds	3.00%	-0.85%
Strategic credit	9.00%	2.11%
Direct lending	16.00%	6.70%
Distressed debt	4.00%	5.70%
REIT equities	2.00%	3.45%
Master limited partnerships	2.00%	5.10%
Private real estate partnership	6.00%	4.90%
Private equity	25.00%	7.25%
Hedge funds	6.00%	1.85%
Cash equivalents	2.00%	-0.70%
	100.00%	

**Sensitivity Analysis**

The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the Housing Authority of Travis County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	<b>1% Decrease 6.60%</b>	<b>Current Discount Rate 7.60%</b>	<b>1% Increase 8.60%</b>
Total pension liability	\$ 498,333	\$ 431,278	\$ 376,144
Fiduciary net position	448,113	448,113	448,113
Net pension liability (asset)	\$ 50,220	\$ (16,835)	\$ (71,969)

**Housing Authority of Travis County, Texas**

Notes to Financial Statements

For the Eighteen Months Ended December 31, 2021

**Pension Expense**

	<b>January 1, 2020 to December 31, 2020</b>
Pension expense / (income)	\$ 166,247
Service cost	32,387
Interest on total pension liability	-
Effect of plan changes	328
Administrative expense	(65,721)
Member contributions	(26,785)
Expected investment return on net of investment expenses	-
Recognition of deferred inflows/outflows of resources	(350)
Recognition of economic/demographic gains or losses	4,078
Recognition of assumption changes of inputs	901
Recognition of investment gains or losses	(5,223)
Pension expense/(income)	<u>\$ 105,862</u>

As of December 31, 2021, the deferred inflows and outflows of resources are as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 25,524	\$ (27,617)
Changes in assumptions	24,465	-
Net differences between projected and actual earnings on pension plan	2,605	-
Contributions subsequent to the measurement date of December 31, 2020	<u>110,111</u>	<u>-</u>
Totals	<u>\$ 162,705</u>	<u>\$ (27,617)</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

2021	\$ 4,629
2022	4,627
2023	4,250
2024	4,011
2025	3,728
Thereafter	<u>3,732</u>
	<u>\$ 24,977</u>

**Note 08 – Related Party Transaction**

**Related Party contributions**

The Authority at times receives contributions from SHFC to help with either ongoing development projects or operating deficits. During eighteen months ended December 31, 2021, the Authority received contributions in the amount of \$1,611,764 from SHFC.

**Development Fee Receivable**

The Authority is entitled to receive a development fee totaling \$1,103,002 from the SEA RAD Partnership, in connection with the development of SEA Oaks, payable from the available proceeds of the capital contributions as defined by the SEA RAD Partnership Agreement. Any unpaid development fee (Deferred Development Fee) bears an annual interest rate of 5% and is payable from cash flow as defined in the SEA RAD Partnership Agreement. SEA RAD GP is required to make a special additional capital contribution to pay off the outstanding balance of the Deferred Development Fee. As of December 31, 2021, Deferred Development Fee receivable totals \$356,537. Due to the uncertainty of collection, management has provided for an allowance for uncollectable amounts totaling \$356,537.

**Notes Receivable**

On August 1, 2017, the Authority entered into a Promissory Note with SEA RAD Partnership in the amount of \$1,000,000. The note bears interest at 3.00% per annum, matures on August 1, 2047, and is secured by real property. Due to the uncertainty of collection, management has provided for an allowance for uncollectable amounts totaling \$1,000,000.

On June 30, 2020, the Authority entered into two unsecured Promissory Notes with SEA RAD Partnership totaling \$378,737. During the eighteen months ended December 31, 2021 the balance increased to \$480,737. The notes bear no interest, payable from the net cash flow available of SEA RAD Partnership. Due to the uncertainty of collection, management has provided for an allowance for uncollectable amounts totaling \$480,737, which is included in provision for uncollectible related party receivable on the accompanying statement of revenues, expenses and change in net position.

**Property Management Fee**

The Authority and SEA RAD Partnership entered into a management agreement to manage the rental operations of SEA Oaks Apartments. The management agent certification allows the Authority to charge a monthly fee equal to 5% of gross collections as defined in the management agent certification. The Authority earned management fees in the amount of \$24,503 the eighteen months ended December 31, 2021, which are included in other revenue on the accompanying statement of revenues, expenses and change in net position. As of December 31, 2021, the Authority has a receivable from SEA RAD Partnership in the amount of \$6,045.

**Incentive Management Fee**

The Authority is entitled to receive a non-cumulative incentive management fee (IMF) from the SEA RAD Partnership, payable from cash flow as defined by the SEA RAD Partnership Agreement. The Authority did not earn any IMF during the eighteen months ended December 31, 2021.

**Related Party Receivable**

The Authority uses a concentrated account depository as the common paymaster for most of the programs of the Authority as well as SHFC and SEA RAD Partnership. Cash settlements are made monthly with SHFC and are made upon available cash flow with SEA RAD Partnership. At December 31, 2021, the Authority has receivables from SHFC and SEA RAD Partnership totaling \$215,964.

#### 75 Year Ground Lease Agreement

On September 9, 2020, Tech Ridge ATX LP entered into a 75-year ground lease agreement with Travis County Facilities Corporation (a blended component unit of the Housing Authority) for the lease of land to construct and operate a rental project, comprised of 311 rental units. Travis County Facilities Corporation was given title to the land from the developer Tech Ridge ATX, LP. However, Tech Ridge ATX, LP retained the right of use, right to sale and mineral rights to operate the affordable housing development on that land. The value of the land was approximately \$7.6 million. There is no feasible method to allocate the value of the land to the various rights associated with the land. Based on those facts and guidance from GASB the land value will be recognized if and when the full rights are available to Travis County Facilities Corporation.

#### Related Party Payable

The Authority has several notes payable to SHFC see note 6 for details about those loans.

#### Note 09 – Commitments & Contingencies

**Legal:** The Authority is party to no pending or threatened legal actions arising from the normal course of its operations.

**Grants and Contracts:** The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of December 31, 2021.

**COVID 19:** On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the orders. Management is carefully monitoring the situation and evaluating its options during this time. It is possible that this matter may negatively impact the Authority, however, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this uncertainty.

#### Note 10 – Net Position

The Authority has the following net positions as December 31, 2021:

Capital assets	\$ 5,890,490
Related debt	(1,742,905)
<b>Net Investment in Capital Assets</b>	<b>\$ 4,147,585</b>
Related deferred inflow of lease on land	
Restricted cash, less replacement reserves	\$ 327,623
Pension asset	16,835
Security deposits liability	(7,406)
Unearned EHV fees	(58,810)
HAP payable	(16,582)
<b>Restricted Net Position</b>	<b>\$ 261,660</b>

**Note 11 – Operating Leases**

The Authority entered into three (3) separate lease agreements with Town North Nissan for the use of three (3) vehicles. Each lease is for a thirty-six (36) month period, expiring on August 31, 2022.

In June 2018, the Authority entered into a sixty-three (63) month office lease agreement with Travis County Facilities Management Department expiring on September 30, 2023. SHFC leases approximately seventeen percent (17%) of the office space from the Authority based on the square footage and the monthly rent payment was allocated proportionally to SHFC accordingly.

At December 31, 2021, future minimum lease payments under the non-cancelable operating leases are as follows:

Year ending December 31 ,		
	2022	\$ 161,878
	2023	118,077
	2024	-
	2025	-
	2026	-
		<u>\$ 279,955</u>

Lease expense under these operating leases for the eighteen months ended December 31, 2021 totaled \$223,531 and is included as administrative expenses on the accompanying statement of revenues, expenses and changes in net position.

**Note 12 – Current Vulnerability Due to Certain Concentrations****Concentration of Market**

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

**Concentration of Revenue**

The Authority receives approximately sixty percent (60%) of its revenue from HUD from its PBRA Program, HCV Program, MSV Program, COC Program and HCV CARES Act Funding by HUD. The Authority is also required to meet certain physical conditions standards and inspection requirements, and financial reporting standards as required by HUD.

**Note 13 – Financial Data Schedule**

Housing Authority of Travis County, Texas prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense from operating activities, includes investment revenue in operating activities, and tenant bad debt as an operating expense, which differs from the presentation of the basic financial statements.

**Housing Authority of Travis County, Texas**  
Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31,		
	2020	2019	2018
<b>Total Pension Liability</b>			
Service cost	\$ 166,247	\$ 122,843	\$ 62,767
Interest on total pension liability	32,387	15,038	5,084
Effect of plan changes	-	-	-
Effect of assumptions changes or inputs	28,543	-	-
Effect of economic/demographic (gains) or losses	(28,305)	34,032	(5,036)
Benefit payments/refunds or contributions	(2,322)	-	-
<i>Net change in total pension liability</i>	196,550	171,913	62,815
<i>Total pension liability, beginning</i>	234,728	62,815	-
<i>Total pension liability, ending (a)</i>	<u>\$ 431,278</u>	<u>\$ 234,728</u>	<u>\$ 62,815</u>
<b>Fiduciary Net Position</b>			
Employer contributions	\$ 112,302	\$ 101,001	\$ 40,295
Member contributions	65,721	58,778	23,461
Investment income net of investment expenses	25,375	10,729	713
Benefit payments/refunds or contributions	(2,322)	-	-
Administrative expenses	(328)	(185)	(53)
Other	5,223	5,504	1,899
<i>Net change in fiduciary net position</i>	205,971	175,827	66,315
<i>Fiduciary net position, beginning</i>	242,142	66,315	-
<i>Fiduciary net position, ending (b)</i>	<u>\$ 448,113</u>	<u>\$ 242,142</u>	<u>\$ 66,315</u>
<i>Net pension liability/(asset) ending = (a)-(b)</i>	\$ (16,835)	\$ (7,414)	\$ (3,500)
<i>Fiduciary net position as a % of total pension liability</i>	103.90%	103.16%	105.57%
<i>Pensionable covered payroll</i>	\$ 1,643,030	\$ 1,469,447	\$ 586,537
<i>Net pension liability/(asset) as % of covered payroll</i>	-1.02%	-0.50%	-0.60%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.



**Housing Authority of Travis County, Texas**  
Schedule of the Pension Plan's Contributions

Year Ending December 31	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contribution as a Percentage Covered- Employee Payroll
2018	\$ 40,295	\$ 40,295	\$ -	\$ 586,537	6.87%
2019	\$ 100,951	\$ 101,001	\$ (50)	\$ 1,469,447	6.87%
2020	\$ 112,219	\$ 112,302	\$ (83)	\$ 1,643,030	6.84%
2021	\$ 106,570	\$ 106,570	\$ -	\$ 1,554,695	6.85%

**Notes to Required Supplementary Information Schedules:**

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.*

Changes in assumptions and methods  
Reflected in the Schedule of Employer  
Contributions

2019 New inflation, mortality and other assumptions were reflected

Changes in plan provisions  
Reflected in the Schedule of Employer  
Contributions

2019 No changes in plan provisions were reflected in the Schedule  
2020 No changes in plan provisions were reflected in the Schedule

**Housing Authority of Travis County, Texas**  
Schedule of Expenditures of Federal Awards  
For the Eighteen Months Ended December 31, 2021

<b><u>FEDERAL GRANTOR</u></b>	<b><u>Assistance Listing Number</u></b>	<b><u>Federal Expenditures</u></b>
<b>U.S. Department of HUD</b>		
<i>Direct Programs</i>		
Section 8 Housing Choice Vouchers		\$ 10,356,575
Emergency Housing Vouchers		180,890
COVID-19 Section 8 Housing Choice Vouchers		550,974
<b>Subtotal</b>	14.871	<u>11,088,439</u>
Mainstream Vouchers		389,738
COVID-19 Mainstream Vouchers		-
<b>Subtotal</b>	14.879	<u>389,738</u>
<b>Total Housing Voucher Center Cluster</b>		<u>11,478,177</u>
Section 8 Housing Assistance Payments Program	14.195	36,545
<b>Total Section 8 Project-Based Cluster</b>		<u>36,545</u>
Continuum of Care Program	14.267	<u>1,491,264</u>
<b>Total Direct Programs Expenditures</b>		<u>13,005,986</u>
<b>Total U.S. Department of HUD</b>		<u>13,005,986</u>
<b>TOTAL FEDERAL AWARDS</b>		<u><u>\$ 13,005,986</u></u>

**(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**Scope of Presentation**

The accompanying schedule presents the expenditures incurred (and related awards received) by the Housing Authority of Travis County, Texas (Authority) that are reimbursable under federal programs of federal agencies providing financial assistance and state awards. For the purposes of this schedule, only the portion of program expenditures reimbursable with such federal or state funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal or state reimbursement authorized or the portion of the program expenditures that were funded with local or other nonfederal funds are excluded from the accompanying schedule.

**Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Expenditures are recognized in the accounting period in which the related liability is incurred. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**Indirect Cost Rate**

The Authority elected not to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.

**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**  
FYE: 12/31/2021

		Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES	14.879 Mainstream Vouchers	14.195 Section 8 HAP - Special Allocations	14.267 Continuum of Care Program	1 Business Activities	14.EHV Emergency Housing Vouchers	6.2 Component Unit - Blended
111	Cash - Unrestricted	-	210,388	-	6,368	77,357	-	1,822,395	19,653	3,786,760
112	Cash - Restricted - Modernization and Development	-	-	-	-	1,576,190	-	-	-	-
113	Cash - Other Restricted	-	-	-	-	79,294	-	-	-	-
113	Cash - Other Restricted - HAP Funds	-	2,451	-	10,816	-	-	-	211,074	-
114	Cash - Tenant Security Deposits	-	-	-	-	2,886	-	4,520	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	15,621	-	699	-	-	-	262	-
100	Total Cash	-	228,460	-	17,883	1,735,727	-	1,826,915	230,989	3,786,760
121	Accounts Receivable - PHA Projects	-	151,877	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	51,406	-	316	20,763	823	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	234,269	-	64,549
126	Accounts Receivable - Tenants	-	-	-	-	7,576	-	9,653	-	-
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	(4,513)	-	(7,037)	-	-
126.2	Allowance for Doubtful Accounts - Other	-	(62,306)	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	1,801,034	-	-
128	Fraud Recovery	-	21,637	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	(21,637)	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	140,977	-	316	23,826	823	2,037,919	-	64,549
131	Investments - Unrestricted	-	-	-	-	-	-	406,032	-	-
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	52,527	-	-
150	Total Current Assets	-	369,437	-	18,199	1,759,553	823	4,323,393	230,989	3,851,309
161	Land	-	-	-	-	221,791	-	1,049,687	-	-
162	Buildings	-	-	-	-	4,362,258	-	2,343,892	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	25,313	-	14,999	-	-
164	Furniture, Equipment & Machinery - Administration	-	2,500	-	-	103,446	-	59,149	-	12,392
166	Accumulated Depreciation	-	(2,500)	-	-	(1,215,693)	-	(1,289,869)	-	(8,831)
167	Construction in Progress	-	-	-	-	-	-	211,956	-	-
160	Total Capital Assets, Net	-	-	-	-	3,497,115	-	2,389,814	-	3,561
174	Other Assets	-	-	-	-	-	-	16,835	-	-
180	Total Non-Current Assets	-	-	-	-	3,497,115	-	2,406,649	-	3,561
200	Deferred Outflow of Resources	-	-	-	-	-	-	162,705	-	-
290	Total Assets and Deferred Outflow of Resources	-	369,437	-	18,199	5,256,668	823	6,892,747	230,989	3,854,870

**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**  
FYE: 12/31/2021

		Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES	14.879 Mainstream Vouchers	14.195 Section 8 HAP - Special Allocations	14.267 Continuum of Care Program	1 Business Activities	14.EHV Emergency Housing Vouchers	6.2 Component Unit - Blended
312	Accounts Payable <= 90 Days	-	19,249	-	699	3,159	-	8,814	262	869
321	Accrued Wage/Payroll Taxes Payable	-	7,608	-	309	985	823	15,066	240	915
322	Accrued Compensated Absences - Current Portion	-	9,892	-	529	719	-	15,312	200	291
332	Account Payable - PHA Projects	-	216,577	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	2,886	-	4,520	-	-
342	Unearned Revenues - Other, Prepaid Rent	-	-	-	-	22,869	-	6,546	58,810	-
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	77,189	-	-
344	Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	1,801,034	-	-	-	-
345	Other Current Liabilities - Miscellaneous	-	-	-	-	300,230	-	1,408,878	-	-
310	Total Current Liabilities	-	253,326	-	1,537	2,131,882	823	1,536,325	59,512	2,075
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	1,000,000	-	665,716	-	-
354	Accrued Compensated Absences - Non-Current	-	33,632	-	1,797	2,444	-	52,061	681	991
355	Loan Liability - Non-Current	-	-	-	-	1,561,000	-	1,200,000	-	480,737
350	Total Non-Current Liabilities	-	33,632	-	1,797	2,563,444	-	1,917,777	681	481,728
300	Total Liabilities	-	286,958	-	3,334	4,695,326	823	3,454,102	60,193	483,803
400	Deferred Inflow of Resources	-	-	-	-	-	-	27,617	-	-
508.4	Net Investment in Capital Assets	-	-	-	-	2,497,115	-	1,646,909	-	3,561
511.4	Restricted Net Position	-	2,451	-	10,816	79,294	-	16,835	152,264	-
512.4	Unrestricted Net Position	-	80,028	-	4,049	(2,015,067)	-	1,747,284	18,532	3,367,506
513	Total Equity - Net Assets / Position	-	82,479	-	14,865	561,342	-	3,411,028	170,796	3,371,067
600	Total Liabilities, Deferred Inflows of Resources and Net Position	-	369,437	-	18,199	5,256,668	823	6,892,747	230,989	3,854,870

**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**  
FYE: 12/31/2021

		Subtotal	ELIM	Primary	6.1 Component Unit - Discretely Presented	Total
111	Cash - Unrestricted	5,922,921	-	5,922,921	34,287	5,957,208
112	Cash - Restricted - Modernization and Development	1,576,190	-	1,576,190	-	1,576,190
113	Cash - Other Restricted	79,294	-	79,294	351,543	430,837
113	Cash - Other Restricted - HAP Funds	224,341	-	224,341	-	224,341
114	Cash - Tenant Security Deposits	7,406	-	7,406	10,597	18,003
115	Cash - Restricted for Payment of Current Liabilities	16,582	-	16,582	-	16,582
100	Total Cash	7,826,734	-	7,826,734	396,427	8,223,161
121	Accounts Receivable - PHA Projects	151,877	-	151,877	-	151,877
122	Accounts Receivable - HUD Other Projects	73,308	-	73,308	231,691	304,999
125	Accounts Receivable - Miscellaneous	298,818	(7,831)	290,987	-	290,987
126	Accounts Receivable - Tenants	17,229	-	17,229	76,983	94,212
126.1	Allowance for Doubtful Accounts - Tenants	(11,550)	-	(11,550)	(19,130)	(30,680)
126.2	Allowance for Doubtful Accounts - Other	(62,306)	-	(62,306)	-	(62,306)
127	Notes, Loans, & Mortgages Receivable - Current	1,801,034	(1,801,034)	-	-	-
128	Fraud Recovery	21,637	-	21,637	-	21,637
128.1	Allowance for Doubtful Accounts - Fraud	(21,637)	-	(21,637)	-	(21,637)
120	Total Receivables, Net of Allowances for Doubtful Accounts	2,268,410	(1,808,865)	459,545	289,544	749,089
131	Investments - Unrestricted	406,032	-	406,032	-	406,032
142	Prepaid Expenses and Other Assets	52,527	-	52,527	2,653	55,180
150	Total Current Assets	10,553,703	(1,808,865)	8,744,838	688,624	9,433,462
161	Land	1,271,478	-	1,271,478	164,519	1,435,997
162	Buildings	6,706,150	-	6,706,150	9,162,293	15,868,443
163	Furniture, Equipment & Machinery - Dwellings	40,312	-	40,312	697,946	738,258
164	Furniture, Equipment & Machinery - Administration	177,487	-	177,487	-	177,487
166	Accumulated Depreciation	(2,516,893)	-	(2,516,893)	(1,305,946)	(3,822,839)
167	Construction in Progress	211,956	-	211,956	-	211,956
160	Total Capital Assets, Net	5,890,490	-	5,890,490	8,718,812	14,609,302
174	Other Assets	16,835	-	16,835	28,803	45,638
180	Total Non-Current Assets	5,907,325	-	5,907,325	8,747,615	14,654,940
200	Deferred Outflow of Resources	162,705	-	162,705	-	162,705
290	Total Assets and Deferred Outflow of Resources	16,623,733	(1,808,865)	14,814,868	9,436,239	24,251,107

**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**  
FYE: 12/31/2021

		Subtotal	ELIM	Primary	6.1 Component Unit - Discretely Presented	Total
312	Accounts Payable <= 90 Days	33,052	-	33,052	6,321	39,373
321	Accrued Wage/Payroll Taxes Payable	25,946	-	25,946	1,536	27,482
322	Accrued Compensated Absences - Current Portion	26,943	-	26,943	1,075	28,018
332	Account Payable - PHA Projects	216,577	-	216,577	-	216,577
333	Accounts Payable - Other Government	-	-	-	6,045	6,045
341	Tenant Security Deposits	7,406	-	7,406	10,597	18,003
342	Unearned Revenues - Other, Prepaid Rent	88,225	-	88,225	23,143	111,368
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	77,189	-	77,189	13,635	90,824
344	Current Portion of Long-Term Debt - Operating Borrowings	1,801,034	(1,801,034)	-	-	-
345	Other Current Liabilities - Miscellaneous	1,709,108	(7,831)	1,701,277	-	1,701,277
310	Total Current Liabilities	3,985,480	(1,808,865)	2,176,615	62,352	2,238,967
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,665,716	-	1,665,716	2,220,245	3,885,961
354	Accrued Compensated Absences - Non-Current	91,606	-	91,606	3,654	95,260
355	Loan Liability - Non-Current	3,241,737	-	3,241,737	1,413,894	4,655,631
350	Total Non-Current Liabilities	4,999,059	-	4,999,059	3,637,793	8,636,852
300	Total Liabilities	8,984,539	(1,808,865)	7,175,674	3,700,145	10,875,819
400	Deferred Inflow of Resources	27,617	-	27,617	-	27,617
508.4	Net Investment in Capital Assets	4,147,585	-	4,147,585	5,071,038	9,218,623
511.4	Restricted Net Position	261,660	-	261,660	351,543	613,203
512.4	Unrestricted Net Position	3,202,332	-	3,202,332	313,513	3,515,845
513	Total Equity - Net Assets / Position	7,611,577	-	7,611,577	5,736,094	13,347,671
600	Total Liabilities, Deferred Inflows of Resources and Net Position	16,623,733	(1,808,865)	14,814,868	9,436,239	24,251,107



**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**  
FYE: 12/31/2021

		Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES	14.879 Mainstream Vouchers	14.195 Section 8 HAP - Special Allocations	14.267 Continuum of Care Program	1 Business Activities	14.EHV Emergency Housing Vouchers	6.2 Component Unit - Blended
70300	Net Tenant Rental Revenue	-	-	-	-	57,391	-	532,834	-	-
70400	Tenant Revenue - Other	-	-	-	-	8	-	338	-	-
70500	Total Tenant Revenue	-	-	-	-	57,399	-	533,172	-	-
70600	HUD PHA Operating Grants	-	-	550,974	389,738	36,545	1,491,264	-	154,390	-
70600	Housing Assistance Payments	-	9,536,331	-	-	-	-	-	-	-
70600	Ongoing Administrative Fees Earned	-	820,244	-	-	-	-	-	11,960	-
70600	Hard to House	-	-	-	-	-	-	-	690	-
70600	Preliminary Fees	-	-	-	-	-	-	-	13,600	-
70600	All Other Fees	-	-	-	-	-	-	-	250	-
71100	Unrestricted Investment Income - Other	-	3,849	-	-	560	-	16,299	127	30,951
71400	Fraud Recovery- Housing Assistance Payments	-	5,790	-	-	-	-	-	-	-
71500	Other Revenue	-	1,632,896	-	-	537	-	2,514,381	-	3,905,975
72000	Restricted Investment Income - Other	-	-	-	-	12,390	-	-	-	-
70000	Total Revenue	-	11,999,110	550,974	389,738	107,431	1,491,264	3,063,852	181,017	3,936,926
91100	Administrative Salaries	-	367,586	116,614	19,898	28,232	37,274	820,602	6,580	51,582
91200	Auditing Fees	-	26,903	-	-	-	4,070	9,900	-	-
91300	Management Fees - Outside	-	-	-	-	4,382	-	26,998	-	-
91500	Employee Benefit Contributions - Administrative	-	113,662	42,016	6,179	8,261	1,788	124,633	825	11,261
91600	Office Expenses	-	185,502	27,150	-	4,044	29,774	254,529	-	3,469
91700	Legal Expense	-	-	-	-	2,324	-	6,579	-	2,545
91800	Travel	-	538	-	-	-	-	120	-	39
91900	Other	-	-	-	-	810	-	37,970	-	-
91000	Total Operating - Administrative	-	694,191	185,780	26,077	48,053	72,906	1,281,331	7,405	68,896
92200	Relocation Costs	-	-	-	-	437,424	-	-	-	-
92400	Tenant Services - Other	-	-	2,788	-	-	-	-	690	88,836
92500	Total Tenant Services	-	-	2,788	-	437,424	-	-	690	88,836
93100	Water	-	-	-	-	6,475	-	22,423	-	-
93200	Electricity	-	-	-	-	3,969	-	5,302	-	-
93300	Gas	-	-	-	-	-	-	-	-	-
93000	Total Utilities	-	-	-	-	10,444	-	27,725	-	-

**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**  
FYE: 12/31/2021

		Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES	14.879 Mainstream Vouchers	14.195 Section 8 HAP - Special Allocations	14.267 Continuum of Care Program	1 Business Activities	14.EHV Emergency - Housing Vouchers	6.2 Component Unit - Blended
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	42,528	-	146,841	-	-
94200	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	1,419	-	25,840	-	-
94300	Ordinary Maint. & Operations - Garbage & Trash	-	-	-	-	3,708	-	6,566	-	-
94300	Ordinary Maint. & Operations - Elevator	-	-	-	-	-	-	14,515	-	-
94300	Ordinary Maint. & Operations - Landscape & Grounds	-	-	-	-	9,810	-	15,205	-	-
94300	Ordinary Maint. & Operations - Unit Turnaround	-	-	-	-	300	-	7,022	-	-
94300	Ordinary Maint. & Operations - Plumbing Contracts	-	-	-	-	-	-	6,662	-	-
94300	Ordinary Maint. & Operations - Extermination	-	-	-	-	1,200	-	11,172	-	-
94300	Ordinary Maint. & Operations - Routine Maintenance	-	-	-	-	279	-	18,206	-	-
94300	Ordinary Maint. & Operations - Misc. Contracts	-	-	-	-	-	-	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	12,009	-	40,171	-	-
94000	Total Ordinary Maint. and Operations	-	-	-	-	71,253	-	292,200	-	-
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	8,460	-	-
95000	Total Protective Services	-	-	-	-	-	-	8,460	-	-
96110	Property Insurance	-	-	-	-	6,570	-	13,896	-	-
96120	Liability Insurance	-	5,225	-	-	675	-	6,802	-	99
96130	Workmen's Compensation	-	1,291	-	-	1,890	-	7,316	-	134
96100	Total Insurance Premiums	-	6,516	-	-	9,135	-	28,014	-	233
96200	Other General Expenses	-	18,161	-	-	-	-	160	-	-
96210	Compensated Absences	-	5,894	-	3,189	-	-	2,745	-	1,282
96400	Bad Debt - Tenant Rents	-	-	-	-	2,535	-	3,320	-	-
96600	Bad Debt - Other	-	107,069	-	-	-	-	-	-	102,000
96000	Total Other General Expenses	-	131,124	-	3,189	2,535	-	6,225	-	103,282
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	15,230	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	15,230	-	-
96900	Total Operating Expenses	-	831,831	188,568	29,266	578,844	72,906	1,659,185	8,095	261,247
97000	Excess of Op. Revenue Over Op. Expenses	-	11,167,279	362,406	360,472	(471,413)	1,418,358	1,404,667	172,922	3,675,679

**Housing Authority of Travis County, Texas**

**Financial Data Schedule**

FYE: 12/31/2021

		Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES	14.879 Mainstream Vouchers	14.195 Section 8 HAP - Special Allocations	14.267 Continuum of Care Program	1 Business Activities	14.EHV Emergency Housing Vouchers	6.2 Component Unit - Blended
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	9,561,240	362,406	416,634	-	1,418,358	-	2,126	-
97350	HAP Portability-In	-	1,552,491	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	78,255	-	157,263	-	3,718
90000	Total Expenses	-	11,945,562	550,974	445,900	657,099	1,491,264	1,816,448	10,221	264,965
10010	Operating Transfer In	-	-	-	-	526,052	-	123,342	-	-
10020	Operating Transfer Out	-	-	-	-	-	-	(649,394)	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-	53,548	-	(56,162)	(23,616)	-	721,352	170,796	3,671,961
11030	Beginning Equity	-	28,931	-	71,027	584,958	-	2,689,676	-	(300,894)
11040	Prior Period Adjustments	-	-	-	-	-	-	-	-	-

**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**

FYE: 12/31/2021

		Subtotal	ELIM	Primary Government	6.1 Component Unit - Discretely Presented	Total
70300	Net Tenant Rental Revenue	590,225	-	590,225	413,487	1,003,712
70400	Tenant Revenue - Other	346	-	346	5,900	6,246
70500	Total Tenant Revenue	590,571	-	590,571	419,387	1,009,958
70600	HUD PHA Operating Grants	2,622,911	-	2,622,911	-	2,622,911
70600	Housing Assistance Payments	9,536,331	-	9,536,331	-	9,536,331
70600	Ongoing Administrative Fees Earned	832,204	-	832,204	-	832,204
70600	Hard to House	690	-	690	-	690
70600	Preliminary Fees	13,600	-	13,600	-	13,600
70600	All Other Fees	250	-	250	-	250
71100	Unrestricted Investment Income - Other	51,786	-	51,786	320	52,106
71400	Fraud Recovery- Housing Assistance Payments	5,790	-	5,790	-	5,790
71500	Other Revenue	8,053,789	(34,484)	8,019,305	2,715	8,022,020
72000	Restricted Investment Income - Other	12,390	-	12,390	-	12,390
70000	Total Revenue	21,720,312	(34,484)	21,685,828	422,422	22,108,250
91100	Administrative Salaries	1,448,368	-	1,448,368	29,514	1,477,882
91200	Auditing Fees	40,873	-	40,873	9,250	50,123
91300	Management Fees - Outside	31,380	(31,380)	-	7,003	7,003
91500	Employee Benefit Contributions - Administrative	308,625	-	308,625	8,498	317,123
91600	Office Expenses	504,468	-	504,468	11,827	516,295
91700	Legal Expense	11,448	-	11,448	7,255	18,703
91800	Travel	697	-	697	36	733
91900	Other	38,780	-	38,780	7,118	45,898
91000	Total Operating - Administrative	2,384,639	(31,380)	2,353,259	80,501	2,433,760
92200	Relocation Costs	437,424	-	437,424	-	437,424
92400	Tenant Services - Other	92,314	-	92,314	-	92,314
92500	Total Tenant Services	529,738	-	529,738	-	529,738
93100	Water	28,898	-	28,898	20,981	49,879
93200	Electricity	9,271	-	9,271	12,240	21,511
93300	Gas	-	-	-	2,558	2,558
93000	Total Utilities	38,169	-	38,169	35,779	73,948

**Housing Authority of Travis County, Texas**

**Financial Data Schedule**

FYE: 12/31/2021

		Subtotal	ELIM	Primary Government	6.1 Component Unit - Discretely Presented	Total
94100	Ordinary Maintenance and Operations - Labor	189,369	-	189,369	42,463	231,832
94200	Ordinary Maintenance and Operations - Materials and Other	27,259	-	27,259	28,341	55,600
94300	Ordinary Maint. & Operations - Garbage & Trash	10,274	-	10,274	41,589	51,863
94300	Ordinary Maint. & Operations - Elevator	14,515	-	14,515	-	14,515
94300	Ordinary Maint. & Operations - Landscape & Grounds	25,015	-	25,015	11,196	36,211
94300	Ordinary Maint. & Operations - Unit Turnaround	7,322	(3,104)	4,218	817	5,035
94300	Ordinary Maint. & Operations - Plumbing Contracts	6,662	-	6,662	9,774	16,436
94300	Ordinary Maint. & Operations - Extermination	12,372	-	12,372	4,155	16,527
94300	Ordinary Maint. & Operations - Routine Maintenance	18,485	-	18,485	-	18,485
94300	Ordinary Maint. & Operations - Misc. Contracts	-	-	-	2,147	2,147
94500	Employee Benefit Contributions - Ordinary Maintenance	52,180	-	52,180	10,938	63,118
94000	Total Ordinary Maint. and Operations	363,453	(3,104)	360,349	151,420	511,769
95200	Protective Services - Other Contract Costs	8,460	-	8,460	-	8,460
95000	Total Protective Services	8,460	-	8,460	-	8,460
96110	Property Insurance	20,466	-	20,466	31,201	51,667
96120	Liability Insurance	12,801	-	12,801	1,036	13,837
96130	Workmen's Compensation	10,631	-	10,631	1,505	12,136
96100	Total Insurance Premiums	43,898	-	43,898	33,742	77,640
96200	Other General Expenses	18,321	-	18,321	-	18,321
96210	Compensated Absences	13,110	-	13,110	-	13,110
96400	Bad Debt - Tenant Rents	5,855	-	5,855	3,978	9,833
96600	Bad Debt - Other	209,069	-	209,069	-	209,069
96000	Total Other General Expenses	246,355	-	246,355	3,978	250,333
96710	Interest of Mortgage (or Bonds) Payable	15,230	-	15,230	94,252	109,482
96730	Amortization of Bond Issue Costs	-	-	-	4,787	4,787
96700	Total Interest Expense and Amortization Cost	15,230	-	15,230	99,039	114,269
96900	Total Operating Expenses	3,629,942	(34,484)	3,595,458	404,459	3,999,917
97000	Excess of Op. Revenue Over Op. Expenses	18,090,370	-	18,090,370	17,963	18,108,333

**Housing Authority of Travis County, Texas**  
**Financial Data Schedule**  
FYE: 12/31/2021

		Subtotal	ELIM	Primary Government	6.1 Component Unit - Discretely Presented	Total
97100	Extraordinary Maintenance	-	-	-	21,409	21,409
97300	Housing Assistance Payments	11,760,764	-	11,760,764	-	11,760,764
97350	HAP Portability-In	1,552,491	-	1,552,491	-	1,552,491
97400	Depreciation Expense	239,236	-	239,236	379,281	618,517
90000	Total Expenses	17,182,433	(34,484)	17,147,949	805,149	17,953,098
10010	Operating Transfer In	649,394	(649,394)	-	-	-
10020	Operating Transfer Out	(649,394)	649,394	-	-	-
	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	4,537,879	-	4,537,879	(382,727)	4,155,152
11030	Beginning Equity	3,073,698	-	3,073,698	(157,531)	2,916,167
11040	Prior Period Adjustments	-	-	-	6,276,352	6,276,352



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Brentwood Office • 5141 Virginia Way, Suite 400 • Brentwood, TN 37027 • (615) 309-8959

Board of Commissioners  
Housing Authority of Travis County, Texas  
Austin, TX

**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**

**Independent Auditors' Report**

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 unit of Housing Authority of Travis County, Texas as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authorities' basic financial statements, and have issued our report thereon dated July 11, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Housing Authority of Travis County, Texas'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of Travis County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of Travis County, Texas's internal control.

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in blue ink that reads "Smith Martin &amp; Co". The signature is written in a cursive, flowing style.

July 11, 2022





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Board of Commissioners  
Housing Authority of Travis County, Texas  
Austin, TX

**Report on Compliance for Each Major Federal Program and Report on Internal Control over  
Compliance in Accordance with the Uniform Guidance**

**Independent Auditors' Report**

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

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

We have audited Housing Authority of Travis County, Texas'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 Housing Authority of Travis County, Texas's major federal programs for the eighteen months ended December 31, 2021. Housing Authority of Travis County, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Housing Authority of Travis County, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the eighteen months ended December 31, 2021.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



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

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

A handwritten signature in blue ink that reads "Smith Marino &amp; Co." is positioned above the date.

July 11, 2022

**Section I**

**Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued

Internal controls over financial reporting:

    Material weakness(es) identified

    Significant deficiency(ies) identified

Noncompliance material to financial statements noted

**Federal Awards**

Internal control over major federal programs

    Material weakness(es) identified

    Significant deficiency(ies) identified

Type of auditors' report issued on compliance for major federal programs

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

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.871	Section 8 Housing Choice Vouchers
14.879	MainStream Vouchers
14.267	Continuum of Care

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

Auditee qualified as a low-risk auditee

**Section II**

**Financial Statement Findings**

No findings

**Section III**

**Federal Awards Findings**

No findings to reported under 2CFR200 Section 516(a) of the Uniform Guidance

**Housing Authority of Travis County, Texas**  
Summary Schedule of Prior Year Findings and Questioned Costs  
For the Eighteen Months Ended December 31, 2021

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**Financial Statement Findings**

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
N/A	There were no prior findings reported	N/A

**Federal Award Findings and Questioned Costs**

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
N/A	There were no prior findings reported	N/A

## HATC Discussion Item V. A. 1.

August 4, 2022

**Subject:** Housing Choice Voucher (HCV) Program (*Conventional*)

**Background Information** The HCV program is financed by the U.S. Department of Housing and Urban Development (HUD) to provide rent subsidies in the form of housing assistance payments (HAP) to private Landlords on behalf of extremely low, very low-income individuals/families, senior citizens, and persons with disabilities. *HCV totals do not include COC, Mainstream, or EHV.*

Housing Choice Vouchers effective 2/01/2020: 632

38 Additional FUP Vouchers effective 11/1/2021

**Housing Choice Vouchers effective 11/1/2021: 670**

As of June 30, 2022, 465 of HATC's HCV allocation were utilized in a conventional fashion.

As of June 30, 2022, the total lease up for the HCV program was **647 of 670**. Occupancy rate was at **96.57%**.

For this reporting period, there were **12** applicants on the waiting list.

**Portable In:** 50 portable families were served in Travis County.

**Cambridge Villas**, a Low-Income Housing Tax Credit (LIHTC) project located in Pflugerville, is the recipient of 19 HATC Project-Based Vouchers designated specifically for this development.

As of June 30, 2022, Cambridge had a total lease up of **19** vouchers under contract.

### **Recommended Action:**

For discussion/ information only. No action needed.

### **Alternate Option:**

N/A

### **Fiscal Impact:**

N/A

### **Attachments:**

A. Board Report Data related to each *Voucher-related* program

### **Prepared by:**

Christina Montes, *Director of Voucher Programs and Homeless Initiatives*

### **Approval:**

*Patrick B. Howard*

Patrick B. Howard, *CEO/Executive Director*

**HATC Discussion Item V. A. 2.**

**August 4, 2022**

**Subject:** Homeless Initiatives

**Continuum of Care (CoC)**

HATC was awarded **\$1,126,479** in new federal funds from the **2020** CoC competition to provide housing for chronically homeless clients with a disability for 2021-2022. **This grant began July 1, 2021 and ends on June 30, 2022. New grant funding awarded effective July 1, 2022: \$ 1,149,159.**

As of June 30, 2022, HATC, provided housing assistance to **72** Continuum of Care participants.

**Homeless Preference (HP HCV)**

The adopted homeless preference allocates 1 in every 4 new housing choice vouchers offered to a homeless applicant referred by homeless providing agencies with a current MOU with HATC. These agencies included: Foundation Communities, and Front Steps. Also included in this group are current Continuum of Care program participants who are no longer in need of intensive case management services from Integral Care. *MOU with FS and FC has terminated effective 10/15/2021.*

As of June 30, 2022, HP has **45** tenants under contract.

**Recommended Action:**

For discussion/ information only. No action needed.

**Alternate Option:**

N/A

**Fiscal Impact:**

N/A

**Attachments:**

- A. Board Report Data related to each *Voucher-related* program

**Prepared by:**

Christina Montes, *Director of Voucher Programs and Homeless Initiatives*

**Approval:**

*Patrick B. Howard*

Patrick B. Howard, *CEO/Executive Director*



## HATC Discussion Item V. A. 3.

August 4, 2022

**Subject:** Special Purpose Vouchers (SPV's assigned by HUD)

### **Non-Elderly Disabled Vouchers (NED)**

HATC has been awarded **75** Housing Choice Vouchers (HCVs) under different special purpose voucher program types to serve non-elderly persons with disabilities. As of June 30, 2022, there were **66** tenants under contract.

### **Family Unification Program (FUP)**

The FUP is a program under which Housing Vouchers are provided to two different populations:

1. *Families for whom the lack of adequate housing is a primary factor in:*
  - a. *The imminent placement of the family's child or children in out-of-home care, or*
  - b. *The delay in the discharge of the child or children to the family from out-of-home care.*

*There is no time limitation on FUP family vouchers.*

2. *For a period not to exceed 36 months, otherwise eligible youths who have attained at least 18 years and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act and is homeless or is at risk of becoming homeless at age 16 or older.*

*Limitation for youth must not exceed 36 months.*

HATC was awarded **34** FUP vouchers effective 1/01/2019. An additional **38** vouchers were awarded effective 11/01/2021. As of June 30, 2022, there were **21** tenants under contract.

### **Mainstream Voucher Program (MVP)**

HATC was awarded 30 MVP Housing Choice Vouchers effective 2/01/2020 under different special purpose voucher program types to serve nonelderly persons (18-61) with disabilities. The head of household does not have to be the qualifying disabled applicant. A member of the household must meet the qualifications. Preference for homeless status. Effective 8/01/2020, HATC was awarded 9 additional Mainstream Vouchers. Total MVP: 39.

As of June 30, 2022, there were **32** tenants under contract.

### **Veteran's Affairs Supportive Housing (VASH)**

HATC received an allocation of 15 HUD-VASH Vouchers in June 2016 to serve homeless veterans as identified by the local VA clinic. 15 additional vouchers were awarded effective 2/01/2020. Total VASH vouchers: 30. As of June 30, 2022, VASH, has **20** tenants under contract.

### **Emergency Housing Vouchers (EHV)**

The Emergency Housing Voucher (EHV) program is available through the American Rescue Plan Act (ARPA). Through EHV, HUD provided 70,000 housing choice vouchers to local Public Housing Authorities (PHAs) to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. HATC has an MOU with Integral Care and Travis County Mental Health Public Defender to provide supportive services. Total EHV: 34. As of June 30, 2022, EHV has **6** tenants under contract.



**Recommended Action:**

For discussion/ information only. No action needed.

**Fiscal Impact:**

N/A

**Attachments:**

A. Board Report Data related to each *Voucher-related* program

**Prepared by:**

Christina Montes, *Director of Voucher Programs and Homeless Initiatives*

**Approval:**

*Patrick B. Howard*

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Patrick B. Howard, *CEO/Executive Director*

# HATC

HOUSING AUTHORITY OF TRAVIS COUNTY

## ATTACHMENT

Jun-22				
Housing Choice Voucher Programs (ACC)	Leased (First of month)	After First Month	Voucher Allocation	Leased %
Project Based Vouchers (PBV)	19		19	100.00%
Housing Choice Vouchers (HCV)	463	2	418	111.24%
Port Outs (PO) HCV	11		11	100.00%
Non Elderly and Disabled (NED)	66		75	88.00%
**VASH- HUD Awarded Vouchers	20		30	66.67%
**Homeless Preference	44	1	45	100.00%
**Family Unification Program (FUP)	21		72	29.17%
<b>Total</b>	<b>644</b>	<b>3</b>	<b>670</b>	<b>96.57%</b>
<b>Total HCV Leased after the first of the month:</b>	<b>647</b>			

Programs not counted in HCV TOTAL:	Leased (Last Day)	Voucher Allocation	Leased %
**Continuum of Care (COC)	72	74	97.30%
Mainstream (MVP)	32	39	82.05%
**Emergency Housing Vouchers (EHV):	6	34	17.65%

Lookers/ Vouchers Searching	Applicants from Waiting List	Tenants not under contract	Total
Housing Choice Vouchers (HCV)	9	11	20
Non Elderly and Disabled (NED)	2		2
Project Based Vouchers (PBV)			0
VASH		3	3
Homeless Preference (HP)			0
Family Unification Program (FUP)	1	1	2
Mainstream (MVP)	5		5
Emergency Housing Vouchers (EHV)	21		21
<b>TOTAL</b>			<b>53</b>

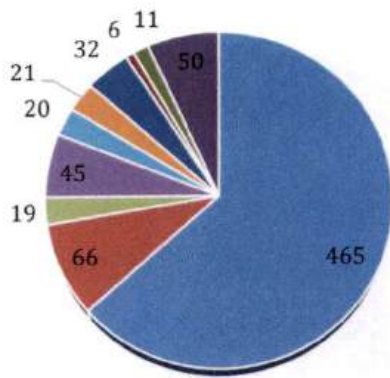
Waiting List (HCV, Choice PBRA, HP, MVP) :				12
Leased Port Ins (last day of month):				50

**\*\* Direct referral only**

*Voucher Allocation Set*

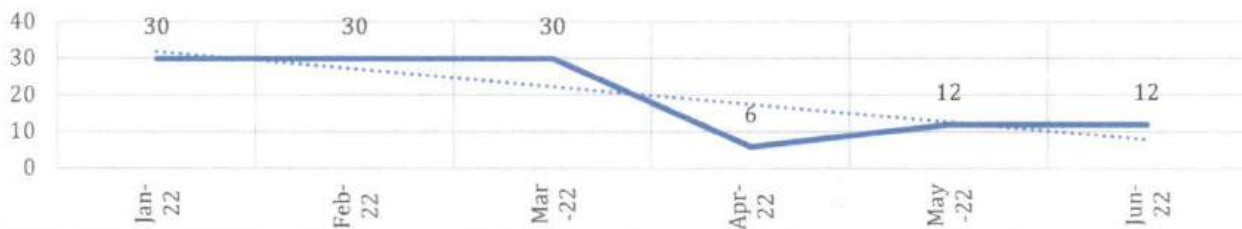
## Attachment 5 A: Graphs

### June 2022: 735 Total Households Served

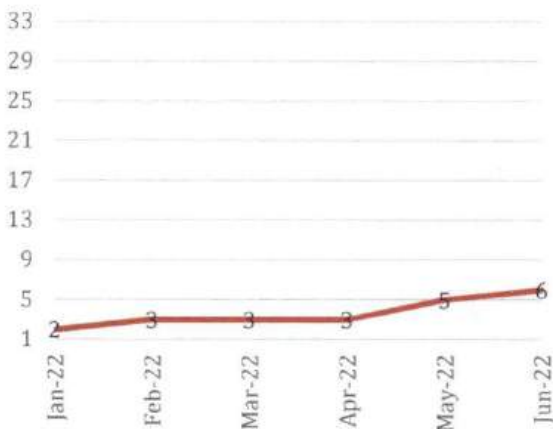


- Housing Choice Voucher (HCV)
- Non-Elderly and Disabled (NED)
- Project-Based Vouchers (PBV)
- Homeless Preference (HP)
- Veterans Assistance Supportive Housing (VASH)
- Family Unification Program (FUP)
- Mainstream (MVP)
- Emergency Housing Vouchers (EHV)
- Port-Outs (PO)
- Port-Ins (PI)

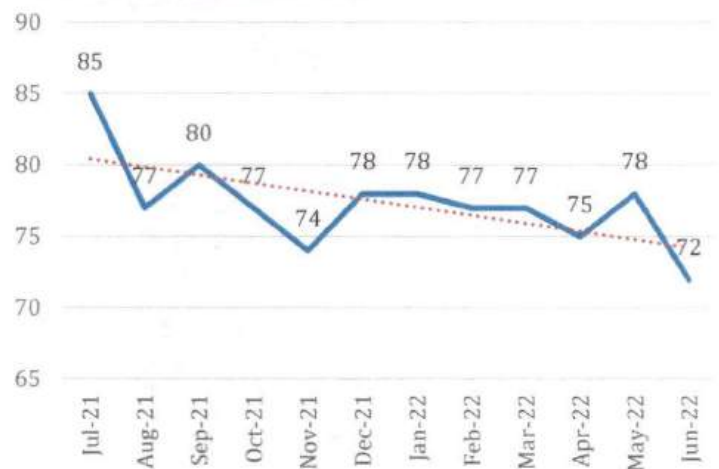
### Applicants on Waiting List



### EHV Households Served



### COC Households Served





## HATC Discussion Item V. B.

### Affordable Housing Program

August 4, 2022

**Subject:** An overview and summary of the activities within the Affordable Housing Program (consisting of Multifamily Housing Program and Affordable Housing Program).

#### Background Information:

Property	Address	Unit Count
SEA RAD OAKS	11607 Sierra Nevada Austin, TX. 78759 and 6119 Valiant Circle Austin, TX. 78749	75
SEA RAD APARTMENTS	4922 Nuckols Crossing Austin, TX. 78744	30
Carson Creek Homes	1300 Cool Shadow, Del Valle, TX. 78617	16
Manor Town Apartments	200 W. Carrie Manor St., Manor, TX. 78653	33

#### Occupancy and Vacancy

Occupancy rate and vacancy loss are indicators of a property's potential and/or unrealized income, respectively. Both the occupancy and vacancy rate are current as of July 25, 2022. The current occupancy status of each property is as follows: **SEA OAKS:** Vacancies (12) will be filled from the Multifamily Housing Waiting list. **Carson Creek:** 100% occupied. **Manor Town:** Vacancies (8) will be filled from the Manor Town Waitlist. **SEA RAD:** Vacancies (7) will be filled from the Multifamily Housing-Eastern Oaks Waiting list.

#### Eastern Oaks

Eastern Oaks was awarded additional funding with the City of Austin Direct Loan Program which started the process of renovating Eastern Oaks. January 2020 residents were relocated to temporary apartments near Eastern Oaks. Shortly after, F&H begin the full interior renovations of Eastern Oaks. Since the discussion of renovating the apartments, there have been 8 vacancies, 2 are 1-bedroom units and 6 are 2-bedroom units. HATC is approaching the completion of the interior renovations. In preparation of filling the vacancies, staff conducted orientation on June 21<sup>st</sup>, and have 20 active applications in process. Following orientation, staff screened the applicant's information for eligibility. Eligibility includes criminal background checks, rental history verification, income/asset verification, and family composition verification. On average, it takes about 30 days to complete the screen. According to HUD Handbook 4350.3 REV-1, "verifications are valid for 120 days from the date of receipt by the owner".

**Subsidy**

Staff has experienced delays in submitting 52670's (subsidy voucher) to HUD. Currently, the software HATC uses isn't compatible with HUD's system. TRACSExperts was hired to submit subsidy vouchers for SEA OAKS Apartments and SEA RAD Apartments. In preparation of submitting the subsidy vouchers, tenant information was given to TRACSExperts to set up a baseline of subsidy each tenant is receiving. Staff is working with TRACSExperts to submit tenant information and vouchers to HUD. Staff and TRACSExperts will continue to work together until HATC is current on the subsidy. The last voucher that was submitted for SEA OAKS Apartment was April 2021 and regarding SEA RAD apartments we are caught up and will continue submitting tenant information to stay current on payment.

**Recommended Action:**

For discussion/information only. No action needed.

**Alternate Option:**

N/A

**Fiscal Impact:**

N/A

**Attachments:**

- A. Property Occupancy, Vacancy, Subsidy, Income Limits

**Prepared by:**

Gabrielle Jones, Housing Manager

**Approval:**

Patrick B. Howard

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Patrick B. Howard, *President/ CEO*



# Attachment A To Action Item 8B

## PROPERTY DATA – Page 1 of 2

### Occupancy/Vacancy/Subsidy/Market Rate/Zero

Property	Occupancy Total Occupied / Total Units	Occupancy Rate (%)	Tenant Rent	Current HAP Subsidy	Other Revenue	From Business Activities	Current Vacancy Loss (\$)	Pen Evic
SEA OAKS APARTMENTS	63/75	84.00%	\$ 18,645.00	\$ -	\$ -	\$ -	\$ 6,459.00	-
SEA RAD APARTMENTS	22/30	73.33%	\$ 4,402.00	\$ -	\$ -	\$ -	\$ 3,870.00	(
MANOR TOWN APARTMENTS	26/33	78.79%	\$ 14,559.00	\$ -	\$ -	\$ -	\$ 4,382.00	(
CARSON CREEK HOMES	16/16	100.00%	\$ 12,857.00	\$ -	\$ -	\$ -	\$ -	(
TOTALS		84.03%	\$ 50,463.00	\$ -			\$ 14,711.00	-

### Market Rate Renters

Property	Address	Bedroom Size	Household Size	Allowable Max (2018)	Annual Income (Initial)	Annual Income (Current)	Monthly Rent	Contract Rent
SEA OAKS APARTMENTS	11607 Sierra Nevada #2	2	4	\$41,280	\$15,036	\$30,236	\$578	\$512
	11607 Sierra Nevada #5	1	1	\$36,120	\$22,100	\$21,988	\$444	\$406
	11607 Sierra Nevada #6	1	1	\$36,120	\$24,830	\$20,007	\$485	\$406
	11607 Sierra Nevada #8	1	1	\$36,120	\$12,055	\$20,532	\$422	\$406
	11607 Sierra Nevada #9	1	1	\$36,120	\$16,340	\$24,616	\$552	\$406
	11607 Sierra Nevada #10	1	1	\$36,120	\$23,343	\$23,351	\$496	\$406
	11607 Sierra Nevada #11	1	1	\$36,120	\$26,674	\$28,036	\$607	\$406
	11607 Sierra Nevada #19	2	2	\$41,280	\$0	\$16,180	\$623	\$512
	11607 Sierra Nevada #22	2	2	\$42,480	\$41,963	\$41,963	\$820	\$512
	5600 Valiant Cove B	3	4	\$51,600	\$3,382	\$3,792	\$694	\$694
	5602 Valiant Cove	4	7	\$64,020	\$5,940	\$7,512	\$840	\$840



# HATC

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	5604 Valiant Cove B	2	5	\$66,180	\$24,721	\$4,289	\$694	\$694
	5606 Valiant Cove B	4	8	\$68,160	\$3,108	\$15,360.00	\$840	\$840
	6000 Valiant Circle A	2	3	\$49,650	\$43,607	\$43,607	\$925	512
	6001 Valiant Circle A	2	1	\$36,120	\$30,682	\$34,968	\$723	\$512
	6003 Valiant Circle A	2	3	\$36,120	\$14,399	\$0	\$512	\$512
	6007 Valiant Circle B	1	2	\$30,100	\$22,275	\$35,498	\$746	\$512
	6101 Valiant Circle B	2	3	\$36,120	\$8,521	\$40,000	\$847	\$512
	6102 Valiant Circle A	1	2	\$30,100	\$14,148	\$28,294	\$544	\$406
SEA RAD APARTMENTS	4922 Nuckols Crossing #37	2	3	\$23,330	\$1,936	\$39,745	\$935	\$512
	4922 Nuckols Crossing #40	2	3	\$23,330	\$26,313	\$31,488	\$624	\$512
	4922 Nuckols Crossing #53	2	3	\$38,700	\$29,616	\$46,788	\$1,019	\$512

## Zero Income Renters

Project	Address	Amount
SEA RAD APARTMENTS	4922 Nuckols Crossing, 27, Austin, TX 78744	(\$72.00)
	4922 Nuckols Crossing, 32, Austin, TX 78744	(\$82.00)
	4922 Nuckols Crossing, 33, Austin, TX 78744	(\$184.00)
	4922 Nuckols Crossing, 34, Austin, TX 78744	(\$175.00)
	4922 Nuckols Crossing, 38, Austin, TX 78744	(\$117.00)
	4922 Nuckols Crossing, 39, Austin, TX 78744	(\$117.00)
	4922 Nuckols Crossing, 42, Austin, TX 78744	(\$28.00)
	4922 Nuckols Crossing, 44, Austin, TX 78744	(\$102.00)
	4922 Nuckols Crossing, 45, Austin, TX 78744	(\$117.00)
	4922 Nuckols Crossing, 48, Austin, TX 78744	(\$89.00)
SEA OAKS APARTMENTS	6008 Valiant Circle, A, Austin, TX 78749	(\$184.00)
	6009 Valiant Circle, B, Austin, TX 78749	(\$116.00)
	6012 Valiant Circle, A, Austin, TX 78749	(\$116.00)
	6012 Valiant Circle, B, Austin, TX 78749	(\$116.00)
	6101 Valiant Circle, A, Austin, TX 78749	(\$125.00)
	6102 Valiant Circle, B, Austin, TX 78749	(\$82.00)



6108 Valiant Circle, B, Austin, TX 78749	(\$40.00)
6123 Valiant Circle, A, Austin, TX 78749	(\$82.00)
6123 Valiant Circle, B, Austin, TX 78749	(\$82.00)
11607 Sierra Nevada, 17, Austin, TX 78759	(\$66.00)

## PROPERTY DATA – Page 2 of 2

### Unit Lease-Up and Release

PROPERTY NAME	# UNITS	Leased? Y or N	VACANT UNIT NUMBER	DATE UNIT BECAME VACANT	DATE MAKE- READY COMPLETED	DATE WAITING LIST NOTIFIED	# OFFERS TO LEASE MADE	DATE OFFER ACCEPTED	ANTICIPATED MOVE IN DATE	# REMAINING ON WAITING LIST
SEA OAKS Apartments	75									
		Y	4	03/02/2021	04.02.21	07/08/21	0	N/A	N/A	339
		N	5606A	08/08/2021	09.08.21	N.D.	0	N/A	N/A	339
		N	12	08/12/2021	09.13.21	N.D.	0	N/A	N/A	339
		N	6109B	08/18/2021	09.17.21	N.D.	0	N/A	N/A	339
		N	6005A	09/16/2021	N.D.	N.D.	0	N/A	N/A	339
		N	6113A	10/31/2021	N.D.	N.D.	0	N/A	N/A	339
		N	6110A	11/23/2021	N.D.	N.D.	0	N/A	N/A	339
		N	7	12/10/2021	N.D.	N.D.	0	N/A	N/A	339
		N	6106A	01/02/2022	N.D.	N.D.	0	N/A	N/A	339
		N	6108A	2/15/2022	N.D.	N.D.	0	N/A	N/A	339
		N	6000B	02/21/2022	N.D.	N.D.	0	N/A	N/A	339
		N	6104B	02/28/2022	N.D.	N.D.	0	N/A	N/A	339
SEA RAD Apartments	30	Y	26	08/30/2019	N.D.	04/11/22	0	N/A	N/A	290
		Y	29	04/13/2020	N.D.	07/08/21	0	N/A	N/A	290
		Y	30	4/13/2020	N.D.	07/08/21	0	N/A	N/A	290
		Y	41	07/26/2019	N.D.	07/08/21	0	N/A	N/A	290
		N	46	12/09/2019	N.D.	N.D.	0	N/A	N/A	290
		N	50	11/30/2021	N.D.	N.D.	0	N/A	N/A	290
		N	51	03/31/2019	N.D.	N.D.	0	N/A	N/A	290
		N	54	03/01/2020	N.D.	N.D.	0	N/A	N/A	290
Manor Town Apts.	33	N	209	10/14/2020	02/05/2021	N/A	0	N/A	N/A	4

# HATC

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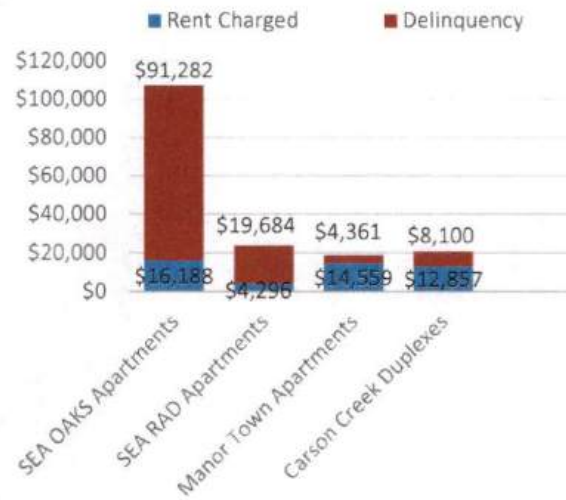
		N	107	09/13/2021	10/15/2021	09/13/2021	0	N/A	11/15/2021	4
		N	109	09/28/2021	03.23.22	N/A	0	N/A	N/A	4
		N	113	09/30/2021	03.09.22	N/A	0	N/A	N/A	4
		N	212	10/12/2021	N.D	N/A	0	N/A	N/A	4
		N	215	12/31/2021	03.23.22	N/A	0	N/A	N/A	4
		N	216	02/28/2022	N.D	N/A	0	N/A	N/A	4
Carson Creek	16		0	N/A	N/A	N/A	0	N/A	N/A	0
TOTALS	154		27							

## Repayment Agreements

PROPERTY NAME	UNIT #	# DAYS PAST DUE	MONTHLY RENT AMOUNT PAST DUE	MONTHLY TENANT PAID RENT AMOUNT	ADDITIONAL MONTHLY PAYMENT AGREED TO	TOTAL AMOUNT OWING	RENT TO BE CURRENT BY WHAT DATE?	WHAT ARE THE TERMS?	RENT TO BE CURRENT BY WHAT DATE?
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SEA OAKS Apartments	6122 B	180	\$4,183	\$406	\$100	\$4,183	1/15/2023	\$100 monthly	1/15/2023
SEA RAD Apartments	0								
Manor Town Apts.	0								
Carson Creek	0								

## Aged Delinquencies



UNCOLLECTED RENT:



# HATC

HOUSING AUTHORITY OF TRAVIS COUNTY

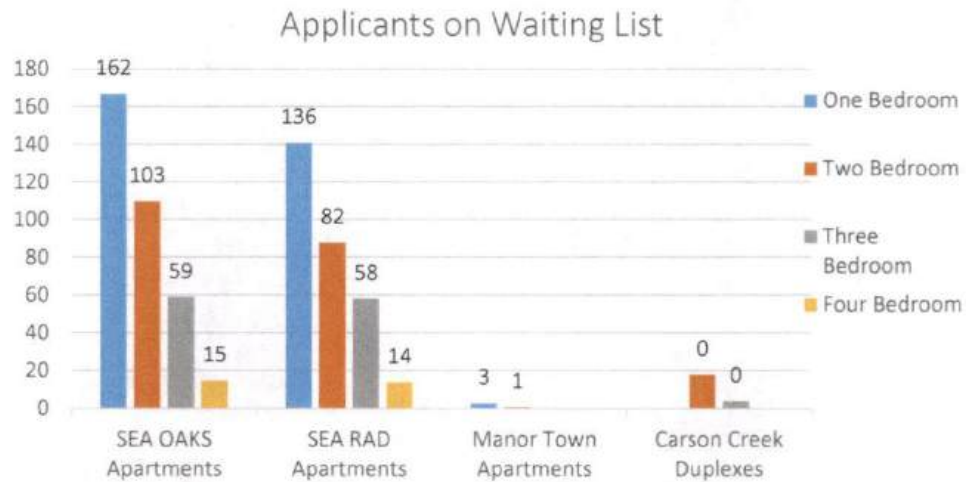
Property	Tenant Account	Delinquent Amount	Aged Delinquency	Comments
Carson Creek	9500B	\$4,100	90+	Dwelling Rent
	9510B	\$4,000	90+	Dwelling Rent
	9502A	\$0.58	30	Dwelling Rent
Manor Town Apartments	110	\$550	90	Dwelling Rent
	202	\$1,200	60	Pest Control
	203	\$1,830	90+	Dwelling Rent
	205	\$781	90	Dwelling Rent
SEA RAD Apartments	28	\$1,632	90+	Dwelling Rent
	31	\$3,354	90+	Damages from Relocation
	37	\$4,509	90+	Dwelling Rent/Damages from Relocation
	39	\$1,547	90+	Damages from Relocation
SEA OAKS Apartments	40	\$931	90+	Dwelling Rent/Damages from Relocation
	52	\$2,008	90+	Damages from Relocation
	53	\$5,900	90+	Dwelling Rent/Damages from Relocation
	10	\$248	90	Dwelling Rent
	13	\$1,866	90+	Dwelling Rent
	14	\$28.00	30	Dwelling Rent
	15	\$152	90	Dwelling Rent
	18	\$3,443	90+	Paid to District Court
	2	\$3,576	90+	Dwelling Rent
	20	\$1,826	90+	Dwelling Rent/Damages
	21	\$30	60	Dwelling Rent
	3	\$793	60	Dwelling Rent
	5600B	\$3,351	90+	Dwelling Rent
	5602	\$8,320	90+	Dwelling Rent
	5604B	\$9,316	90+	Dwelling Rent
	5606B	\$18,286	90+	Dwelling Rent
	6	\$514	30	Dwelling Rent
	6003A	\$5,400	90+	Dwelling Rent
	6003B	\$1,340	90+	Dwelling Rent
	6007A	\$222	60	Dwelling Rent
	6007B	\$465	90	Dwelling Rent
	6008A	\$4,471	90+	Dwelling Rent
	6009A	\$24	60	Dwelling Rent
	6010B	\$1,094	90+	Dwelling Rent/ Utilities
	6100A	\$5,290	90+	Dwelling Rent

# HATC

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	6101B	\$694	90	Dwelling Rent
	6105A	\$396	90	Dwelling Rent
	6106B	\$6,116	90+	Dwelling Rent
	6110B	\$954	60	Dwelling Rent/Utilities/Pest Control
	6122B	\$4,925	90+	Dwelling Rent/Damages
	6123B	\$1,398	90+	Dwelling Rent/ Utilities
	8	\$6,766	90+	Dwelling Rent

## Waiting List



## Work Orders

502 East Highland Mall Blvd., Suite 106-B Austin, Texas 78752  
 Telephone: (512) 854-8245 | FAX: (512) 854-1899 | Web: [www.hatctx.com](http://www.hatctx.com)



# HATC

HOUSING AUTHORITY OF TRAVIS COUNTY

Project	***W. O.***			***Emergencies***						***Non-Emergency***				
	Total	Done	Open	Total	Done	Open	Open > 24 Hrs	PHAS Grade	PHAS Pct	Total	Done	Open	PHAS Grade	Avg Days to Close
Work Orders From:														
07/01/2022 Thru:														
07/25/2022														
Staff: All Staff														
Carson Creek	4	3	1	3	2	1	1	F	66.67%	1	1		A	
Manor Town Apartments	4	4		2	2			A	100.00%	2	2		A	
SEA OAKS APARTMENTS	16	14	2	12	11	1	1	F	91.67%	4	3	1	A	
SEA RAD APARTMENTS	10	9	1	5	5			A	100.00%	5	4	1	A	
Total All Projects Listed:	34	30	4	22	20	2	2	F	90.91%	12	10	2	A	

**HATC Discussion Item V. C. 1.**  
**August 4, 2022**

**Subject: Eastern Oaks**

**Background Information:** Eastern Oaks Apartments is a 30-unit duplex community owned by the HATC. The property underwent significant studs-out rehabilitation utilizing \$1,000,000 in funding from the City of Austin, \$2,000,000 from the Texas Department of Housing and Community Affairs, and an \$800,000 equity contribution from the Housing Authority.

**Funding:** All City of Austin funding has been drawn. The HATC's equity portion has been expended. A draw has been submitted to TDHCA in the amount of one million dollars. Upon payment, a second draw will be submitted in the amount of one million dollars for the remainder of the funds.

**Relocation Budget:** Accompanying this report is a breakdown of the key expense items associated with the relocation process to date. It is broken down by month with totals expended to date included.

**Construction:** Concrete work is complete and a draw for the Retainage Balance is being processed for payment to the Contractor.

#### **TDHCA Draw Request**

The draw request to TDHCA is being completed by the project consultant. This is a tedious and time consuming process. Staff time and resources are currently better utilized and needed more in moving Rosemont activities along, walking units, coordinating with the contractors for finalization of the Common Areas, establishing maintenance processes and expectations with the new on-site management staff, getting the scope and schedules established for the remaining 100 empty units, as well as coordinating with the 3<sup>rd</sup> party Quality Control Inspector regarding scope, scheduling and performance.



**Recommended Action:**

For discussion/ information only. No action needed.

**Alternate Option:**

N/A

**Fiscal Impact:**

N/A

**Attachment:**

N/A

**Prepared by:**

Keith Hoffpaur, Asset Manager

**Approval:**

*Patrick B. Howard*

Patrick B. Howard, *Executive Director*

**HATC Discussion Item V. C. 2.**  
**August 4, 2022**

**Subject: Manor Town Apartments Phase II**

**Background Information:** Manor Town Apartments Phase I is a 33-unit Seniors community located in Manor, Texas. It was the first multifamily property to be developed within the city limits of Manor. Originally, the HATC purchased an entire city block encompassing just over 1 acre. Phase I was built in 2004 on one half acre of the property. Phase II will be constructed on the remaining half acre. The HATC has completed the planning and design phases of developing an additional 20 units (Phase II) of Senior housing on the property and has now selected a Contractor for construction.

**Development Overview -** The proposed Phase II of Manor Town Apartments is to be a single, two-story building consisting of 8 two-bedroom, two bath units and 12 one-bedroom, one bath units. The two-bedroom units will have a square footage of 900 sq. ft. and the one-bedroom units will have a square footage of 688 sq. ft. The building will be ADA compliant and elevator served. The property is 100% reserved for seniors. Section 8 vouchers will be welcomed. Amenities will include a large common area and kitchen for socializing and special events. A library will also be provided along with an open outdoor sitting area. All units will include washer/dryer connections. Public transportation will be provided, which will yield access to shopping, medical facilities, houses of worship, and other key locations. All Manor Town residents will have access to all property amenities and services.

**Income Set-Asides –** As a result of the Texas Department of Housing and Community Affairs' (TDHCA) financial underwriting review, TDHCA is requiring that two of the twenty units be set aside for persons at or below 50% of Area Median Family Income (AMFI). The Texas State Affordable Housing Corporation (TSAHC) requires that three units be set-aside for Medicare/Medicaid's Long-Term Services and Supports (LTSS) program. LTSS tenants may have financial assistance at move-in through Transition Assistance Services (TAS) and Supplemental Transition Support (STS) if they are exiting nursing homes or congregate care facilities and need support for utility deposits, furnishings, and other move-in expenses. These 3 units must be reserved for persons at 30% AMFI or below.

**Funding:** The \$3,000,000 funding application to the TDHCA has been approved. The TDHCA Board elected to approve a recommendation for additional funding in the amount of \$352,213 at the 4/22 Board Meeting. TSAHC has committed to \$250,000 in funding. Additionally, the HATC was required to provide assurances that equity in the amount of \$1,022,816 for the development of Phase II. It is anticipated that preparing for closing on these funds will require approximately 90 days.



Current Funding Sources:

TDHCA:	\$3,352,213
TSAHC:	\$ 250,000
HATC:	<u>\$1,022,816</u>
<b><u>TOTAL</u></b>	<b><u>\$4,625,029</u></b>

**Construction** – F&H Construction submitted a revised bid of \$4,205,650. The Civil Engineer is currently coordinating with the City of Manor to complete the Building Permit Application. An updated title policy is also in process. The HATC's consultant has submitted documents to TDHCA's Legal Division for review and drafting. Total time on project is estimated to be 14 months from the date of the Notice to Proceed.

**Project Milestones –**

1. HATC ratification of additional funding for equity contribution – (7/22 or 8/22)
2. Close on TDHCA and TSAHC funding – 10/22
3. Issue Notice to Proceed to Contractor – 11/22
4. Contractor to complete mobilization and begin construction – 1/23
5. Construction Completion – 2/24

**Recommended Action:**

For discussion/ information only. No action needed.

**Alternate Option:**

N/A

**Fiscal Impact:**

N/A

**Attachment:**

**Prepared by:**

Keith Hoffpauir, Asset Manager

**Approval:**

*Patrick B. Howard*

Patrick B. Howard, *Executive Director*

**HATC Discussion Item V.D.**  
**Finance**  
**August 4, 2022**

**Subject: HATC June 2022 Monthly Finance Report**

The Monthly Finance Report presented is for the period ending June 30, 2022.  
This report reflects financial activities for six-month period for the 12-month fiscal year ending 12/31/2022.

**Recommended Action:**  
For discussion/information only. No action needed.

**Alternate Option:**  
N/A

**Fiscal Impact:**  
N/A

**Attachment:**  
A. HATC Finance Report

**Prepared by:**  
Subra Narayanaier, CPA, Director of Finance

**Approval:**

*Patrick B. Howard*

Patrick B. Howard, CEO/Executive Director



**Housing Authority of Travis County  
Finance Report - June 30, 2022**

**Schedule**

<b>No</b>	<b>Report</b>
1	Business Activities - Operating Statements
1A	Balance Sheet - Business Activities & HCV Program
2	Housing Choice Voucher Program - Operating Statements
3	Mainstream Program
3A	Emergency Housing Voucher & Admin Reserve Schedule
4	Continuum of Care
5	MTW - Policy Research & Development Grant
6	SEA RAD PBRA - Eastern Oaks - Operating Statements
6A	Eastern Oaks - Rehabilitation Costs Detail
6B	Balance Sheet - SEA RAD Eastern Oaks
7	Manor Town - Operating Statements
8	Carson Creek - Operating Statement
10	HATC Foundation - Operating Statements
11	Investment Register for HATC
12	SEA OAKS LP - Operating Statements & Balance Sheet



**Housing Authority of Travis County**

**Business Activities**

Schedule 1

<b>Budget Line Item</b>	<b>FY2022 Approved Budget</b>	<b>FYTD Budget June 2022</b>	<b>FYTD Actual June 2022</b>	<b>MTD Actual June 2022</b>
<b>Revenues</b>				
Mgmt Fees from HATC owned Properties	26,897	13,449	12,881	2,141
Management Fees from SEA OAKS LP	23,237	11,619	3,340	539
Interest Income	1,500	750	3,274	519
Other Revenues	500	250	1,463	113
<b>Total Revenues</b>	<b>52,134</b>	<b>26,067</b>	<b>20,958</b>	<b>3,312</b>
<b>Expenses</b>				
Salaries & Benefits-Executive Staff	447,020	223,510	225,856	51,260
- Finance Staff	297,226	148,613	113,604	25,049
- Affordable Hsg Staff	166,368	83,184	65,895	14,755
- SHFC Staff	39,926	19,963	19,444	4,317
Administrative - Audit Fees	13,500	6,750	-	
- Office Rent	77,572	38,786	38,334	6,389
- Computer & Software	29,560	14,780	17,010	3,541
- Consultants	12,000	6,000	-	
- Training & Travel	14,175	7,088	13,628	7,072
Other Administrative Expenses	30,626	15,313	18,621	2,119
Insurance	5,051	2,526	2,562	427
Capital Expenditures	20,000	10,000	33,166	
Contribution to HATC Properties	75,808	37,904	37,902	6,317
<b>Total Expenses</b>	<b>\$ 1,228,832</b>	<b>\$ 614,416</b>	<b>\$ 586,022</b>	<b>\$ 121,246</b>
Excess/Deficiency Rev over Exp	<b>\$ (1,176,698)</b>	<b>\$ (588,349)</b>	<b>\$ (565,064)</b>	<b>\$ (117,934)</b>
Contribution from SHFC	1,176,698	588,349	588,348	98,058
<b>Provision for Reserve</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,284</b>	<b>\$ (19,876)</b>

**Balance Sheet - Business Activities & HCV Program  
Schedule 1B**

<b>Balance Sheet - Business Activities 06/30/2022</b>	<b>Amount</b>
Cash	1,371,796
Investment - Lone Star Bank	406,032
AR - Property Mgmt Fee	22,273
AR-SEA RAD LP Developer Fee	356,537
Allowance for Doubtful Accts	(356,537)
Prepaid & Other AR	29,989
AR InterFund - Eastern Oaks	1,854,286
AR InterFund - Manor Town	297,111
AR InterFund - SEA RAD LP	423,532
AR InterFund - SHFC & Rosemont Relocation	58,984
AR InterFund - HCV, COC & Other	18,010
Net Fixed Assets	960,732
TCDRS Retirement Deferred Outflow	151,923
<b>Total Asset</b>	<b>5,594,668</b>
Month End Accruals	69,116
SHFC Loan - Manor Town Escrow	400,000
Eastern Oaks Constr Contribution	800,000
Estimated Employee Leave Accrual	61,786
Current Liability to TCFC	155,150
Payable to SHFC - Eastern Oaks Construction	1,391,680
<b>Total Liability</b>	<b>2,877,732</b>
<b>Equity 06/30/2022</b>	<b>2,716,936</b>
Beginning Equity 01/01/2022	2,660,487
Provision for Reserve 06/30/2022	23,284
Addback : Capital Purchases	33,166
Ending Equity 06/30/2022	<b>2,716,937</b>

<b>Balance Sheet - HCV 06/30/2022</b>	<b>Amount</b>
Cash	429,396
Acct Receivable - Port In	88,635
Allowance WriteOff- AR Port In - over 90 days	(56,150)
Vehicle	16,403
<b>Total Assets</b>	<b>478,284</b>
Month End Accrual	14,358
Portability Payable-Unreconciled	283,716
Interfund - Business Activities	(72,067)
Estimated Employee Leave Accrual	36,585
<b>Total Liability</b>	<b>262,592</b>
<b>Equity 06/30/2022</b>	<b>215,692</b>
Admin Fee Equity 01/01/2022	80,028
Provision For Reserve 06/30/2022	(5,890)
Addback: Capital Purchases	16,404
Admin Fee Equity 06/30/2022	90,543
HAP Equity 06/30/2022 - HUD Reserves	125,149
<b>Equity 06/30/2022</b>	<b>215,692</b>

# Housing Choice Voucher

## Schedule 2

Budget Line Item	FY2022 Approved Budget	FYTD Budget June 2022	FYTD Actual June 2022	MTD Actual June 2022
<b>Revenues</b>				
HUD HCV Rental Subsidy	7,075,200	3,537,600	3,505,554	599,600
Estimated HCV Administrative Fees	594,280	297,140	294,952	50,449
Est Collection Loss - Port In HAP & AF	(15,000)	(7,500)	(12,796)	(12,796)
Interest Income	2,500	1,250	1,695	317
Other revenues - Port In Fees, Inspection	53,278	26,639	18,776	3,294
<b>Revenues eligible for Admin Expenses</b>	<b>635,058</b>	<b>317,529</b>	<b>302,627</b>	<b>41,264</b>
<b>Total Revenues</b>	<b>\$ 7,710,258</b>	<b>\$ 3,855,129</b>	<b>\$ 3,808,181</b>	<b>\$ 640,864</b>
<b>Expenses</b>				
Salaries & Benefits - Direct S8 Staff	448,305	224,153	204,200	39,023
Administrative -Audit	32,500	16,250	16,459	
-Office Rent	55,409	27,705	27,378	4,563
- Computer & Software	43,820	21,910	13,291	2,352
- Training	3,600	1,800	119	119
Other Administrative Expenses	47,350	23,675	28,457	5,164
Insurance	3,469	1,735	2,208	368
Capital Expenditures	NB	NB	16,404	
<b>Administrative Expenses</b>	<b>634,453</b>	<b>317,227</b>	<b>308,516</b>	<b>51,589</b>
Rental Assistance	7,075,200	3,537,600	3,505,554	599,600
<b>Total Expenses</b>	<b>\$ 7,709,653</b>	<b>\$ 3,854,827</b>	<b>\$ 3,814,070</b>	<b>\$ 651,189</b>
Excess/Deficiency Rev over Exp	605	303	(5,890)	(10,325)
<b>Provision for Administrative Reserve</b>	<b>\$ 605</b>	<b>\$ 303</b>	<b>\$ (5,890)</b>	<b>\$ (10,325)</b>



**Mainstream Program  
Schedule 3**

<b>Budget Line Item</b>	<b>FY2022 Approved Budget</b>	<b>FYTD Budget June 2022</b>	<b>FYTD Actual June 2022</b>	<b>MTD Actual June 2022</b>
<b>Revenues</b>				
Rental Assistance	424,560	212,280	164,608	27,306
Estimated Administrative Fees	34,537	17,269	14,128	2,447
<b>Total Revenues</b>	<b>\$ 459,097</b>	<b>\$ 229,549</b>	<b>\$ 178,736</b>	<b>\$ 29,753</b>
<b>Expenses</b>				
Administrative Salaries & Benefits	34,539	17,270	18,410	4,519
Rental Assistance	424,560	212,280	164,608	27,306
<b>Total Expenses</b>	<b>\$ 459,099</b>	<b>\$ 229,550</b>	<b>\$ 183,018</b>	<b>\$ 31,825</b>
<b>Provision for Reserve</b>	<b>\$ (2)</b>	<b>\$ (1)</b>	<b>\$ (4,282)</b>	<b>\$ (2,072)</b>

**Emergency Housing Voucher  
Schedule 3A**

<b>Budget Line Item</b>	<b>FY2022 Approved Budget</b>	<b>FYTD Budget June 2022</b>	<b>FYTD Actual June 2022</b>	<b>MTD Actual June 2022</b>
<b>Revenues</b>				
Rental Assistance	NA	NA	26,543	6,705
Service Costs Reimbursement	NA	NA	5,773	641
Estimated Administrative Fees	NA	NA	200	
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,516</b>	<b>\$ 7,346</b>
<b>Expenses</b>				
Administrative Salaries & Benefits	NA	NA	8,731	1977
Service Costs Expenses	NA	NA	5,786	654
Rental Assistance	NA	NA	26,543	6705
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41,060</b>	<b>\$ 9,336</b>
<b>Provision for Reserve</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (8,544)</b>	<b>\$ (1,990)</b>

<b>Administrative Reserves by S8 program</b>	<b>HCV</b>	<b>Mainstream</b>	<b>EHV</b>
Administrative Reserves 01/01/2022	80,028	4,050	18,532
Current Provision for Reserve 6/30/2022	(5,890)	(4,282)	(8,544)
Addback: Capital Purchases	16,404		
Est Administrative Reserves 06/30/2022	90,543	(232)	9,988

## Continuum of Care Grant TX0037L6J031811

July 1, 2021 - June 30, 2022

FINAL

Schedule 4

Budget Line Item	Approved Grant	FYTD Budget June 2022	Cumulative Total	MTD Actual June 2022	Unspent Grant Funds
Grant Revenues	1,126,479	1,126,479	940,518	87,996	185,961
<b>Expenses</b>					
Housing Assistance	1,025,859	1,025,859	829,262	67,959	
Direct Salaries & Benefits	50,253	50,253	62,803	16,355	
Total Rental Assistance & Direct Salaries	1,076,112	1,076,112	892,065	84,314	184,047
Administrative Costs	50,367	50,367	48,453	3,682	1,914
<b>Total Expenses</b>	<b>1,126,479</b>	<b>1,126,479</b>	<b>940,518</b>	<b>87,996</b>	<b>185,961</b>
	\$ -	\$ -	\$ -	\$ -	\$ -

## MTW - Policy Development &amp; Research Grant

Feb 16, 2021 - Feb 15, 2023

Schedule 5

Budget Line Item	Grant Award	FYTD Budget June 2022	Cumulative Total	MTD Actual June 2022
Grant Revenues	25,000	22,917	-	
<b>Expenses</b>				
MTW conversion - Software & Hardware	25,000	22,917	-	
<b>Total Expenses</b>	<b>\$ 25,000</b>	<b>\$ 22,917</b>	<b>\$ -</b>	
	\$ -	\$ -	\$ -	



**Housing Authority of Travis County**

**SEA RAD - Eastern Oaks**

Schedule 6

Budget Line Item	FY2022 Approved Budget	FYTD Budget June 2022	FYTD Actual June 2022	MTD Actual June 2022
Gross Potential Rent (Contract Rent)	198,106	99,053	116,043	16,283
Vacancy Loss-budgeted 90% occupancy	(19,811)	(9,906)	(30,172)	(3,884)
<b>Revenues</b>				
Dwelling Rent	53,489	26,745	21,696	3,319
HUD Subsidy	124,807	62,404	64,175	9,080
Collection Losses	(1,070)	(535)	(17,116)	
Other Revenues	-	-	17,548	63
<b>Total Revenues</b>	<b>177,226</b>	<b>88,613</b>	<b>86,303</b>	<b>12,462</b>
<b>Expenses</b>				
Administrative Salaries & Benefits	30,955	15,478	14,743	3,367
Other Administrative Expenses	4,350	2,175	12,487	457
Management Fees	8,861	4,431	4,315	623
Maintenance Salaries & Benefits	45,266	22,633	16,424	3,890
Maintenance Materials	2,000	1,000	1,205	659
Maintenance Contracts	22,566	11,283	12,337	2,083
Utilities	30,240	15,120	9,138	1,857
Insurance	8,084	4,042	4,043	674
Capital Improvement/Non-Routine Exp	8,500	4,250		
Contribution to Repl Reserve	16,404	8,202	8,202	1,367
<b>Total Expenses</b>	<b>177,226</b>	<b>88,613</b>	<b>82,894</b>	<b>14,977</b>
Excess/Deficiency Rev over Exp	-	-	3,409	(2,515)
<b>Provision for Reserve</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,409</b>	<b>\$ (2,515)</b>

**SEA RAD - Eastern Oaks Rehabilitation Costs Detail**

Schedule 6A

Eastern Oaks - Rehab Costs Detail	Original Budget	Revised Budget	Actual through 06/30/2022	Estimated Total Cost
Construction Hard Costs	2,933,089	3,091,947	2,766,070	3,091,947
Other Construction HC		11,400	11,400	11,400
Relocation Costs	451,637	451,637	597,848	597,848
Predev & Other Costs	304,541	282,088	242,432	242,432
Contingencies	110,733	-	-	
	<b>3,800,000</b>	<b>3,837,072</b>	<b>3,617,750</b>	<b>3,943,627</b>
<b>Sources of Funding</b>				
City of Austin - AHFC 99 Year forgivable Loan				1,000,000
TDHCA - 30 year forgivable loan				2,000,000
SHFC - \$800K contribution				800,000
				<b>3,800,000</b>
Shortfall/Cost Overrun				<b>(143,627)</b>

**SEA RAD Eastern Oaks - Balance Sheet**  
**Schedule 6B**

<b>Balance Sheet as of 06/30/2022</b>	<b>Eastern Oaks</b>
IBC - Reserve for Replacements - Restricted	1,579,453
Cash - Rehab Account Restricted	79,458
Cash - SEA RAD Apts EO Tenant Security Deposit	4,023
Cash--Maintenance/Replacement Reserve Budgeted	40,298
Cash - IBC -EO	41,085
A/R Tenants EO	26,447
Allowance Doubtful Accounts	(21,629)
A/R HUD-EO HUD Subsidy	-
Land	221,791
Buildings	3,719,783
Dwelling Furn, Equip& Machinery	25,313
Furniture Equip& Mach	103,446
Leasehold Improvements	407,900
Accumulated Depreciation	(1,215,693)
Construction In Progress	16,832
<b>Assets</b>	<b>5,028,507</b>
Tenant Sec Deps/EO-Low Rent	3,300
Accrued Payable-EO	1,975
DueTo/DueFrom Operations	1,854,286
Property Management Fee Payable	6,092
Comp Absences Payable	3,163
N/P - SHFC	1,561,000
Deferred Revenue-PH-EO	22,341
Loan - COA AHFC	1,000,000
<b>Liabilities</b>	<b>4,452,157</b>
<b>Equity 06/30/2022</b>	<b>576,350</b>
<b>Equity - 01/01/2022</b>	<b>561,343</b>
Provision For Reserve 05/31/2022	3,409
Add-back Maintenance Reserve	8,202
Deduct Depreciation Expense	-
Rehab. Contribution - YTD	-
Interest Earned on Restricted Cash	3,397
Soft Cost Expensed through 06/30/2022	-
<b>Equity - 06/30/2022</b>	<b>576,351</b>



**Housing Authority of Travis County**

**Manor Town**

**Schedule 7**

<b>Budget Line Item</b>	<b>FY2022 Approved Budget</b>	<b>FYTD Budget June 2022</b>	<b>FYTD Actual June 2022</b>	<b>MTD Actual June 2022</b>
<b>Revenues</b>				
Dwelling Rent - budgeted 95% occpy-avg rent \$570	211,956	105,978	90,395	15,714
Collection Losses	(4,239)	(2,120)	-	
Other Tenant Revenues	NA	NA	1,246	1,155
Other Revenues (Laundry Commissions, etc)	1,800	900	1,855	514
<b>Total Revenues</b>	<b>209,517</b>	<b>104,759</b>	<b>93,496</b>	<b>17,383</b>
<b>Expenses</b>				
Administrative Salaries & Benefits	33,528	16,764	15,974	3,647
Other Administrative Expenses	5,824	2,912	2,027	231
Management Fees	10,476	5,238	4,675	869
Maintenance Salaries & Benefits	50,031	25,016	18,573	4,388
Maintenance Materials	12,299	6,150	6,220	553
Maintenance Contracts	34,698	17,349	26,893	3,615 A
Utilities	19,530	9,765	9,738	1,444
Insurance	12,188	6,094	6,094	1,016
Maintenance Reserve-\$500 unit/year	16,500	8,250	8,250	1,375
Capital Item/Non-Routine Expenses	4,500	2,250		
Debt Service - Principal & Interest	85,752	42,876	42,876	7,146
<b>Total Expenses</b>	<b>285,326</b>	<b>142,663</b>	<b>141,320</b>	<b>24,284</b>
Excess/Deficiency Rev over Exp	(75,809)	(37,905)	(47,824)	(6,901)
Contribution from Business Activities	75,809	37,905	37,902	6,317
<b>Provision for Reserve</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (9,922)</b>	<b>\$ (584)</b>

A- Emergency Elevator repair totaling \$6,845 in 03/2022 & \$5,344 in 04/2022

Manor Town II PreDevelopment Costs as of 3/31/2022 - \$212,780

**Housing Authority of Travis County**

**Carson Creek**

Schedule 8

<b>Budget Line Item</b>	<b>FY2022 Approved Budget</b>	<b>FYTD Budget June 2022</b>	<b>FYTD Actual June 2022</b>	<b>MTD Actual June 2022</b>
<b>Revenues</b>				
Dwelling Rent - budgeted 100% occpy-avg rent \$804	154,284	77,142	77,142	12,857
Collection Losses/Collection on Write-Off	(3,086)	(1,543)	-	
Other Tenant Revenues	-	-	56	
Other Revenues	-	-	621	111
<b>Total Revenues</b>	<b>151,198</b>	<b>75,599</b>	<b>77,819</b>	<b>12,968</b>
<b>Expenses</b>				
Adminstrative Salaries & Benefits	16,218	8,109	7,721	1,764
Other Administrative Expenses	4,300	2,150	2,626	51
Management Fees - 5% of Revenues	7,560	3,780	3,891	648
Maintenance Salaries & Benefits	23,824	11,912	9,261	2,099
Maintenance Materials	6,322	3,161	1,577	285
Maintenance Contracts	24,120	12,060	3,777	925
Utilities	300	150	-	
Insurance	3,702	1,851	1,853	309
Maintenance Reserve-\$500 unit/year	8,000	4,000	4,002	667
<b>Total Expenses</b>	<b>94,346</b>	<b>47,173</b>	<b>34,708</b>	<b>6,748</b>
Excess/Deficiency Rev over Exp	56,852	28,426	43,111	6,220
<b>Provision for Reserve</b>	<b>\$ 56,852</b>	<b>\$ 28,426</b>	<b>\$ 43,111</b>	<b>\$ 6,220</b>

**HATC - Foundation - Fund 56**

**Schedule 10**

<b>Budget Line Item</b>	<b>FY2022 Approved Budget</b>	<b>FYTD Budget June 2022</b>	<b>FYTD Actual June 2022</b>	<b>MTD Actual June 2022</b>
<b>Revenues</b>				
Donations & Other Revenues	12,000	6,000	-	
<b>Total Revenues</b>	<b>12,000</b>	<b>6,000</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>				
Administrative Salaries & Benefits	61,599	30,800	30,973	\$ 6,872
Other Administrative Expenses	8,550	4,275	370	74
Job Training & Youth Development	30,000	15,000		
Tenant Services/Scholarships	37,000	18,500	15	5
Insurance	98	49	20	
<b>Total Expenses</b>	<b>137,247</b>	<b>68,624</b>	<b>31,378</b>	<b>6,951</b>
<b>Contribution from TCFC Unrestricted Funds</b>	125,247	62,624	62,622	10,437
<b>Provision for Reserve</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,244</b>	<b>\$ 3,486</b>

**HATC**

**Schedule 11**

**Investment Register**

<b>Investment Type</b>	<b>Maturity Date</b>	<b>Rate</b>	<b>Amount</b>	<b>Funding Source</b>
Certificate of Deposit (CD)	Jan 29, 2023	0.20%	\$ 406,032	HATC CD at Lone Star National Bank

**SEA RAD LP**  
**CY 2022 Monthly Operating Statement**  
**Schedule 12**

	<b>CY2022 Budget</b>	<b>Budget YTD</b>	<b>Actual YTD</b>	<b>MTD June 2022</b>
<b>Revenues</b>				
Rental Income	143,351	71,676	140,319	23,957
Vacancies - budgeted 97% occupancy	(14,335)	(7,168)	(38,782)	(6,336)
HUD Subsidy - Accrued	334,486	167,243	107,404	17,407
Other Tenant Revenue	3,000	1,500	5,661	634
Collection Loss	(2,867)	(1,434)	(3,312)	(846)
Other Revenue	1,100	550	1,098	54
<b>Total Operating Revenues</b>	<b>464,735</b>	<b>232,368</b>	<b>212,388</b>	<b>34,870</b>
<b>Expenses</b>				
Legal & Eviction Fees	2,500	1,250	100	50
Other Administrative Costs	7,392	3,696	6,026	985
Management Fee	23,237	11,619	3,340	539
Audit & Tax Fees	10,000	5,000	4,626	771
Payroll and Benefits			-	
Manager	40,021	20,011	18,308	3,566
Maintenance	54,684	27,342	21,402	3,988
Taxes and Benefits	28,622	14,311	11,626	2,283
Repairs and Maintenance			-	
Extermination	3,400	1,700	1,990	190
Grounds	12,000	6,000	5,598	933
Make Ready	3,000	1,500	4,306	220
Maintenance Materials	18,833	9,417	13,888	1,626
Other Routine Contract Costs	11,360	5,680	1,756	351
Utilities	37,080	18,540	20,038	3,517
Trash	42,000	21,000	24,443	4,255
Property Insurance	28,356	14,178	17,556	2,981
Other Insurance - Liability & Workers Comp	8,473	4,237	1,704	284
<b>Total Operating Expenses</b>	<b>330,958</b>	<b>165,479</b>	<b>156,707</b>	<b>26,539</b>
<b>Net Operating Income/(Loss) - NOI</b>	<b>133,777</b>	<b>66,889</b>	<b>55,681</b>	<b>8,331</b>
<b>Other Income/Expenses</b>				
Contribution to Replacement Reserve	23,523	11,762	11,760	1,960
NOI less Reserves	110,254	55,127	43,921	6,371
Debt Service - Principal & Interest	65,703	32,852	32,910	5,485
Debt Service Coverage Ratio	1.68	1.68	1.33	1.16
<b>Operating Cash Flow</b>	<b>44,551</b>	<b>22,276</b>	<b>11,011</b>	<b>886</b>
<b>Other Expenses/Outflows</b>				
Asset Management Fee	7,316	3,658	3,660	610
Non Routine & Capital Expenditures	36,000	18,000	26,423	10,955



**SEA RAD LP****Monthly Balance Sheet - CY2022**

	<b>June 2022</b>
Cash - Unrestricted	56,588
Cash - Security Deposit	13,163
Cash - Pledged Account	102,049
Cash - Operating Deficit	204,297
Cash - Replacement Reserves	57,098
Tenant Accounts Receivable	114,865
Allowance Doubtful Accounts	(22,443)
A/C Receivable - HUD Subsidy	333,402
Prepaid Insurance & Expense	26,740
Land & Land Improvement	164,519
Building & Equipment	9,869,240
Accum Depreciation	(1,512,741)
Tax Credit Monitoring Fees	27,442
<b>Assets</b>	<b>9,434,219</b>
Accrued Expenses	10,854
Property Management Fee Payable	9,384
Accrued Interest Payable	177,260
Tenant Security Deposit	12,245
Prepaid Rent	14,925
HATC Loan	1,000,000
Mortgage Payable	1,074,677
Note Payable-Additional Construction	179,702
Note Payable-Operating Deficit & Pledge Acct	301,035
Deferred Developer Fees	356,537
Due to Related Party	780,763
<b>Liabilities</b>	<b>3,917,382</b>
<b>Partners Equity</b>	<b>5,516,837</b>
Partner's Equity -Beginning	5,553,845
Cash Flow-Income Statement	886
Add back Replacement Reserve	1,960
Add back Loan Principal	405
Deduct Asset Management Fee	(610)
Deduct Amortization Expenses	(399)
Deduct Depreciation Expenses	(34,465)
Deduct Interest - HATC Loan	(2,917)
Add back Interest - Restricted	92
Deduct Capital & NonRoutine	(1,955)
Partners Equity, Ending Balance	5,516,841

**HATC Discussion Item V. E.  
August 4, 2022**

**Subject:** HATC Human Resources & Organizational Development and HATC Foundation Updates

**Background Information:**

Performance Management Process Revision

- The Performance Management Process that has previously been in place at HATC is undergoing a much-needed full and complete revision, with the development of a much more flexible and effective process which will be implemented within the organization. This project is essentially completed at this point. The new system will be presented and explained via a special training program for HATC directors – currently scheduled for mid-August - with immediate implementation to follow.

Job Description Revision & Development

- All HATC/SHFC job descriptions are undergoing a full review and revision and will soon be complete. Accurate and up-to-date job descriptions are essential for a wide variety of compliance and HR best practices purposes – including Department of Labor Wage & Hour compliance, recruiting, ADA compliance, compensation structure development, and more. The completion of the job description revisions and development will correspond directly with the creation of Employee Development Plans.

Employee Development Plans

- All HATC/SHFC employees will undergo individual personal development plan updates and revisions during 2022, and meetings with employees have commenced. These plans will include individualized training planning, identification of certifications or other skill enhancement requirements, and personalized coaching. Personal development plans will ultimately align with other ongoing organizational development and business process design activities within the organization and will also serve to fulfill HATC strategic planning "best practices" efforts.

Personnel Policy Manual Revisions

- Extensive revisions are still underway on the HATC Personnel Policy Manual. Updates and modifications to nearly every previous policy statement have been, or will soon be, drafted, and review sessions are scheduled and currently being held with the Executive Director to further refine the new policy drafts. Outside legal counsel was recently engaged to address specific policy concerns, which are now resolved. It is currently estimated that a final complete draft Personnel Policy Manual will be presented to the Board in late Q3 2022.

2022 HR Training Curriculum

- Impactful, relevant, and exciting programs have already been delivered to staff during 2022, and more will follow. Programs to be delivered in the remainder of 2022 will continue focus on compliance issues, best practices, and general employee development, with occasional guest speakers utilized if available and appropriate. All training will be delivered in alignment with the HATC Strategic Plan.

## HATC 2022-2025 Strategic Plan Updates

- Finalization of HATC's 2022-2025 Strategic Plan occurred at the end of 2021. Updates regarding goal tracking and progress will be tracked as we move through 2022. Update summaries will be available electronically on Boardable, with the Q2 update recently completed and posted.

## The HATC Foundation

- The HATC Foundation Advisory Committee will convene on August 8th for its second meeting of the year. Staff will present strategic planning information and invite feedback and direction from community partners. Foundation staff plans to hold Advisory Committee meetings on a quarterly basis, with upcoming meetings tentatively scheduled for November 2022, February 2023, and May 2023. Representatives from *Foundation Communities* and *Goodwill Industries of Central Texas* have been added to the committee. Staff will continue to assess ways in which the committee may be expanded to best reflect the mission of the Foundation.
- The HATC Foundation has worked to solicit donations from individuals and community partner agencies for its annual backpack and school supply drive, to be held on Saturday, August 13. In addition to providing supplies to youth residing in HATC affordable housing and HCV households, the event will also serve as a resource hub for youth programming currently being offered by the Foundation and its partners. Representatives from Austin Public Library, Girl Scouts of Central Texas, and Exploring Clubs will be on site to provide information on their respective program offerings.
- Planning for additional near-term events is occurring, as well as various partner outreach and recruitment efforts. Subsequent activities expected in 2022 include strategy development and monitoring, partnership growth, investigation of grant opportunities, and planning for charitable contribution fund generation.

## **Recommended Action:**

For discussion / information only. No action needed.

## **Alternate Option:**

N/A

## **Fiscal Impact:**

N/A

## **Attachments:**

N/A

## **Prepared by:**

Steve Peglar, SPHR, SHRM-SCP

*Deputy Executive Director / HR & Organizational Development*

## **Approval:**

*Patrick B. Howard*

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Patrick B. Howard, *CEO/Executive Director*